4% housing credit application narrative

Project Name: 1001 Lincoln Street
Project Address: 1001 Lincoln Street, Denver, CO 80203

Project Highlights: 1001 Lincoln Street (the "Project") will transform an underutilized, one-story office building into a seven-story, 127-unit multi-family apartment building located in the Golden Triangle/Civic Center neighborhood of Denver. 1001 Lincoln Street responds to several CHFA Guiding Principles and meets the threshold for preliminary applications. The Project helps solve two major Denver issues: bringing life back to the center of the City by transforming an empty office building into vibrant housing and addressing the lack of affordable housing stock in the City. The proposed Project is a unique housing proposal because it offers advantages such as ideal location for residents, speed of delivery on affordable units, support services for residents and environmental efficiencies.

The Project will provide an opportunity for individuals with lower incomes to live in an area with convenient public transportation, access to jobs, walkable retail, cultural organizations, and new development. In the Golden Triangle neighborhood, new development is typically luxury apartments with high rents. The Project is in a Difficult Development Area (DDA) but lost its qualified census tract designation in 2024. Other changes to the Project since it was last submitted to CHFA include the addition of two units and the continued push forward on architectural plan, City and County of Denver permit process, and the confirmation of costs.

1001 Lincoln Street will be able to deliver units faster than new ground-up development. The Project will reuse the infrastructure component of the current building, such as the parking garage, foundations, and exterior walls, thereby reducing construction costs, timeline, and waste. I-Kota, the Project's general contractor, estimates that the Project will save five – six months of construction by re-using the existing building components compared to scraping and starting over. The site is zoned D-GT which allows for the Project's proposed use. The Project has also been accepted into the City and County of Denver Affordable Housing Review Team ("AHRT"), see acceptance letter as Attachment #1, and the Project's SDP (Site Development Plan) will be submitted in August 2024. This will make the building permit review process more efficient. Kentro Group and Lexton McDermott (the "Sponsors") will continue the design and entitlement efforts to be able to break ground in June 2025.

Sustainability is a major focus of the Project. The Project will have solar panels which, in addition to being more energy efficient, will save on energy costs. The Project will significantly reduce environmental waste by utilizing the current on-site improvements. I-Kota estimates that by utilizing the existing foundation and precast wall at the site, the Project saves approximately 3,000 cubic yards of concrete, resulting in a reduction in carbon dioxide emissions by 10,260,000 pounds. Based on the United States Environmental Protection Agency's website calculator, the savings from the project equates to the greenhouse gases emitted by 1,036 gasoline-powered passenger vehicles driven for one year. The Project will certify under the highest National Green Building Standard (NGBS) standard of Gold which will include energy star-rated appliances, LED lighting, and solar. The Sponsor will be promoting alternative modes of transportation through services provided by the non-profit, Transportation Solutions, and provide a large bike storage area on-site. Additionally, the Project intends to be a member of the Transportation Solution, a transportation management association with a mission to increase the availability and use of transportation choices in the Denver area. See the Transportation Solution's letter of support as Attachment #2. Based on data from 2020, there are 19,000 workers that earn less than $40K that are driving to the PMA for employment. Based on Lincoln's location, those same workers could become residents that would enable them to walk or use other modes of travel which would eliminate the greenhouse gases created by the daily commute.

Project Information: The project will contain 19 studios, 89 one-bedroom, and 19 two-bedroom units for individuals and families at a range of incomes. 14 of the units (11.2%) will be for households at or below 30% AMI, 44 units (34.4%) at or below 50% AMI, 50 units (39.2%) at or below 60% AMI, and 19 units (15.2%) at or below 70% AMI. 1001 Lincoln Street will utilize income averaging to allow for higher incomes in an area that needs workforce housing while still providing housing opportunities for lower incomes.

1001 Lincoln Street is conveniently located near multiple Regional Transportation District (RTD) bus stops. A bus stop is located at Lincoln Street and 11th Avenue, 370 feet from the Project, with regional and local bus services headed north. Another bus stop, Broadway and 11th Avenue, is 475 feet from the Project and is serviced by regional and local routes headed south. A local eastern route can be found at 12th and Broadway, 0.2 miles from the Project. A local western route can be found at W. 13th Avenue and Broadway, 0.4 miles from the Project. Civic Center Station, 0.7 miles from the site, is one of the two regional bus terminals in downtown Denver. The bus bays are served by RTD regional buses and the RTD Free MallRide through downtown to Denver Union Station. Please see Attachment #3 for a comprehensive map of RTD transportation within a 0.5-mile radius of the Project and just beyond.

The Cherry Creek Trail is 0.5 miles from the Project. The trail is a 40-mile route that begins in downtown Denver and connects suburban and rural Arapahoe and Douglas Counties. The trail is one of the premier biking and walking trails in Denver and makes commuting by bike more accessible for residents, especially those working in downtown Denver. The Project is also adjacent to a portion of the proposed 5280 Loop, an initiative to link neighborhoods and connect people along a five-mile urban trail around downtown Denver.

The Project's common amenities will include a community room, exercise room, second-story courtyard, on-site manager, picnic/BBQ area, flex space to accommodate coworking and support services, café, limited access entries, and surveillance cameras. The main level will contain a large bike storage room. Each of the Project's units will have a washer/dryer, wall air conditioning, blinds, carpet, high-speed internet hookups, cable TV hookups, refrigerator, stove/oven, and dishwasher. Tenants will be allowed to have pets. In addition to community amenities, the Sponsors have partnered with NEWSED to provide services to residents at 1001 Lincoln Street including financial counseling, small business training, and housing counseling (see Attachment #4 for the Memorandum of Understanding between the Sponsors and NEWSED).

1001 Lincoln Street is located near the many amenities that downtown Denver provides, including food, healthcare, cultural experiences, education, and jobs. The site is 0.8 and 0.9 miles from two different King Soopers, 0.7 miles from Ideal Market, 0.2 miles from City Store Market, 0.6 miles from Trader Joe's, and 0.8 miles from Ace Hardware. Denver Health is 0.7 miles away, providing emergency services, dental care, primary medicine, and more. Compassion Road Academy, a high school, is 0.3 miles from the Project, Denver West High School is 0.5 miles away, Morey Middle School is 0.9 miles away, and Dora Moore Elementary School is 0.8 miles away. Sunken Gardens Park is 0.7 miles away. The Project is 0.7 miles from the Denver Art Museum, 0.3 miles from History Colorado, 0.6 miles from the Clifford Still Museum, and 0.5 miles from the Kirkland Museum. The Central Denver Public Library is 0.4 miles from the Project and offers library check out passes for many of the nearby museums and cultural institutions. Many of these Denver museums and cultural institutions also offer free days and other low-cost options for community access. The Auraria Campus in Denver is just under two miles from the Project, which contains a 150-acre campus shared by three separate and distinct institutions of higher learning: Community College of Denver, Metropolitan State University of Denver, and University of Colorado Denver. The Project allows easy access for part-time or nontraditional students to have access to educational opportunities and jobs. The Project is around one and a half miles away from the heart of downtown Denver which provides opportunities to a wide array of job opportunities.

The site is currently improved with a single-story office building with an underground parking garage. The construction will preserve the parking garage and the exterior walls of the office building; it will then add a transfer slab with five stories of wood. This will be a Type III constructed building with two elevators. The modern exterior skin will include a mix of concrete, glass, and fiber cement/metal panels. The Project falls into two Design Overlays, therefore, exterior skin will be a focus to fit into the neighborhood. The Project has been approved by both design overlay boards.

The Project will utilize gap funding from the City and County of Denver (HOST) and a special limited partnership with the Denver Housing Authority for sales/use tax and property tax exemption. The Sponsors have created funding contingency plans that may include applying for transit orient design tax credits, using a lending product with a 50-year amortization, or applying for Colorado Clean Energy Funds. Further details are in Attachment #5.

Describe the bond financing structure and include the following: Construction Period Bonds (Tax-Exempt): $24,700,000 - Private Placement; Permanent Bonds: $15,009,000 - Private Placement; Bond Issuer: CHFA; Taxable Construction Loan: approx. $9,984,288.

Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP): Project does not serve Homeless Persons, persons with special needs, or low population counties.

Describe how the project meets the criteria for approval in Section 2 of the QAP:
Market conditions: The Project has an overall capture rate of 7.6%, including 2.5% at 30% AMI, 7.9% at 50% AMI, 10.5% at 60% AMI, and 1.1% at 70% AMI. The Project's overall required capture rate, as well as all rates by AMI level, are well below CHFA's preferred threshold of 25% and the addition of planned units increases the total capture rate by 1.5%, demonstrating that the PMA has a very strong demand for affordable rental housing. In addition, the PMA is expected to add 255 renter households per year, which is not included in the capture rate analysis. The market analyst concluded that the Project's location and unit amenities are either comparable or slightly superior to other LIHTC properties in the PMA. The market analyst notes that there is higher than usual vacancy in LIHTC properties in the PMA but that it is possible with the low capture rates and large number of qualified renters that the vacancies are skewed and could return to balanced levels.

Proximity to existing tax credit developments:
The PMA has 33 LIHTC projects containing 2,376 income-restricted units. Of these, eight are age-restricted projects with 762 units, seven are PSH properties with 560 dwellings, and 18 are non-age-restricted properties that have 1,054 dwellings, of which 406 are deeply subsidized. The Project will compete most directly with the 648 non-deeply-subsidized family tax credit units. The closest existing tax credit project is Broadway Residences at 1135, built in 2006 and located approximately 0.2 miles from the Project. This property offers 50% AMI, 60% AMI, and market-rate units. The other comparable LIHTC properties in the PMA selected by the market analyst were: Quayle Building constructed in 2019, located 1.0 miles away with 7.5% vacancy (offering 60% AMI units); Lincoln Terrace built in 2008 and located 0.7 miles away with 2.7% vacancy (consists of 30%, 40% and 50% AMI units); Residences at Capitol Heights constructed in 2001 and located 0.4 miles from the Project with 6.9% vacancy (60% AMI and market-rate units), however, many of the vacancies are in the market rate units; and 12th & Elati Residences built in 2008 and located 0.5 miles from the Project with 0% vacancy (30%, 40%, 50%, and 60% AMI units). Capitol Square Apartments, 2023 completed LIHTC project, is 0.4 miles from the Project. At

the time of the Market Analyst research, Capitol Square Apartments had 11.2% vacancy, but is currently at 5% vacancy.

Project readiness: The Sponsors have continued the zoning and design process since the last year application submission in 2023. The Project is properly zoned and the remaining entitlement approvals include site plan and building permits. The project has been released from Concept, including approval from the Golden Triangle Design Review and Downtown Design Advisory Board (Attachment #6), allowing the project to continue through the Site Development Process. Drawings for the Project are at 100% Schematic Design and include a full spec book. Development Drawings are 50%. All utilities are provided to the site and the Project is anticipated to receive permits and begin construction in the second quarter of 2025.

Overall financial feasibility and viability: The Sponsors have confirmed the anticipated costs of the Project by procuring an additional cost estimate to the I-Kota cost estimate provided in the application – I-Kota has priced the project as design has furthered, at this point it has priced the project three times to date. The Brinkmann total costs came in at a similar cost, giving comfort to the Sponsors that the costs are reasonable. Further evidence of the reasonableness of cost is that the Sponsors have been able to create a 2.5% owner contingency. The cost reduction realized by utilizing the existing structure and the project's location in a DDA helps support strong financial feasibility. Without the DDA boost, the project would have a gap of approximately $4.2 million. The state Affordable Housing Tax Credit makes the project financially feasible because 46% of the units are for households at 50% AMI and below.

Experience and track record of the development and management team: The Sponsors are comprised of Kentro Group and Lexton McDermott. The Partnership between Kentro Group and Lexton McDermott has a history of success developing LIHTC Projects with the 62-unit Lynwood Senior Apartments (Awarded 9% Tax Credits in 2019 with Project Completion in 2023) and the 151-unit Krisana Apartments (Awarded 4% Tax Credits in 2022 with Project Completion in 2024). The Sponsors bring deep experience to development and affordable housing with more than 100 years of experience combined. Including Lynwood Senior Apartments and Krisana Apartments, Lexton McDermott has developed 2,012 LIHTC units across 15 Projects. The Sponsors have a strong commitment to their affordable housing projects and plan to defer more than 50% of the developer fee in 1001 Lincoln Street and will fill additional gap if needed. With Krisana Apartments, the Sponsor deferred 100% of the developer fee and kept over $2 million of equity in the deal to make the project feasible and keep it moving forward. ComCap Management has been providing professional apartment management services for its clients since 2006. The company currently manages over 2,600 apartment units, including Lynwood Senior and Krisana Apartments. ComCap's team of professionals has a broad spectrum of experience in the multifamily management business. Specializing in LIHTC properties, ComCap has an impeccable record in property management disciplines including a fully integrated accounting system and compliance department.

Project costs: Utilizing the existing structure will bring down costs and shorten the construction timeline. I-Kota reports that the Project will save an estimated $4.5 million ($35,000 per unit) compared to a new build based on their recent experience in the market. The savings are broken down on Attachment #7. The Project costs have been updated since the 2023 submission and costs from I-Kota were returned at a slightly lower cost than they came in at 2023 (savings were put into an owner contingency), confirming that costs appear to continue to be accurate for the Project. The Sponsors also received pricing in June 2024 from Brinkmann that was in line with the I-Kota costs received in 2024. The Sponsors feel confident the pricing for the Project is reasonable.

Site suitability: 1001 Lincoln Street is well suited for a LIHTC development due to nearby amenities and access to public transportation. The Project is along a minor and collector street in a mixed residential and commercial neighborhood. Its location provides good visibility and access to shopping, arterials, and services. The Project is within 0.5 miles of a convenience store, neighborhood shopping center, middle school, bus stop, hospital, library, medical clinic, and park, and within one mile of a grocery store, elementary school, high school, light rail station, head start and recreation center. The Project's walk score is 98, which is 61% higher than the Denver score of 61, 3% higher than the comparable average, and is considered "Walker's Paradise." Residents may not need cars due to the strong public transport and walkability of the site, as well as the proximity to central business district jobs.

Describe any requests to waive underwriting criteria (if requesting): None

Address any issues raised by the market analyst in the market study: The Market Study notes two possible weaknesses to the Project: smaller than average unit sizes and the 39 parking spaces. The smaller unit sizes allow the Sponsors to maximize density on the site and provide 127 units of non-PSH affordable housing in the PMA, to help house residents who are looking for quality, affordable options with a fantastic location close to the central business district. The 39 secure, covered parking spaces provided are viewed by the Sponsors and the Property Manager as a positive amenity and not a detriment to the lease up. Of note, Capitol Square is currently 95% leased up (at the time of the market study reporting, it had more vacancy). Further, the City and County zoning incent little parking – the parking requirement is zero – due to close proximately to amenities, schools, employment areas, and public transportation.

Address any issues raised in the environmental report(s): The Phase I concluded that there was no evidence of RECs, Controlled RECs (CRECs), or Historical RECs (HRECs) in connection with the site.

Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment: Cost containment has been noted throughout the narrative. Of note, costs from this application were confirmed by two third-party estimators, indicating reasonability.

Describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support): The Sponsors held a public meeting on July 19, 2023 and July 18, 2024; no members of the public attended. Additionally, there were two design public meetings held on September 9, 2023 with Golden Triangle Urban Design Committee and May 14, 2024 with Downtown Design Advisory Board. The Project has received local support evidenced by a support letter from District 10 City Council Member Chris Hinds (Attachment #8), State Senator Chris Hansen (Attachment #9), and Thriving Families, a non-profit located near the Project that serves low-income women and their children (Attachment #10). There is no known opposition to the Project. Additionally, the Sponsors have an MOU with NEWSED, a local non-profit, to offer services at the Project. NEWSED has also expressed their support for the project (Attachment #11). NEWSED offers courses such as housing counseling, financial counseling, and small business training.

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: 1001 Lincoln Street promotes equity and economic mobility for residents by providing an affordable place to live near jobs, public transportation, higher education hubs, and cultural centers. Residents will have access to downtown Denver which provides opportunities for jobs at all income levels. By providing housing at 1001 Lincoln Street, residents of the Project will save time and money on transportation and have access to the best of Denver.

4% housing tax credit application narrative

Project Name: 101 West Main Street

Project Address: 101 West Main Street, Frisco, CO 80443

Executive Summary: 101 West Main Street is a fully entitled 52 unit building with all its funding in place but for the bonds and credits requested in this application. It is one of the rare truly transit oriented developments in a rural resort community and will meet the Zero Energy Ready Home Standard. In partnership with the Town of Frisco, NHPF will put a 99-year affordability covenant on the property.

This project demonstrates the positive effects of the Governor's housing policies. To speed the way for this project the Town of Frisco passed the Affordable Housing Incentive Program which:

- Increase density by nearly 500% on this site
- Substantially decreased parking requirement and was the first project to be allowed to use on street overnight parking and a car sharing program
- Prioritized entitlement and permitting for affordable housing
- Created Frisco Community Housing Development Authority

Other State agencies have shown their support for this project by committing Land Banking and Strong Communities Grants to the project.

The project is located on one of Frisco's two main commercial streets and is walking distance to the other one. A transit stop to all the other Summit County employment centers are across the street.

101 West Main Street will have 24 studios, 17 one-bedrooms, and 11 two-bedrooms serving households earning between 30% and 80% of the area median income. It will serve individuals and families in Frisco and Summit County, offering high-quality, energy efficient housing in a central location near jobs, services, and other amenities. With income averaging, the unit mix is responsive to local market conditions, providing 6 units at 30% AMI, 25 at 50% AMI, and 21 at 80% AMI. The overall capture rate is 11.7%. The site is located in a Difficult Development Area.

The building will be all-electric, three stories of wood frame with surface parking. The building will be built to the Zero Energy Ready Home standard and will contain 1,546 square feet of ground floor commercial space, which is being funded by the Town. The site is zoned Planned Unit Development; the entitlement process was completed with the approval of the site plan by Planning Commission in June 2024. The project is now ready to move into the building permit approval process. With a tax credit award in 2024, construction is expected to begin in Summer 2025.

In addition to 4% Low Income Housing Tax Credits, State Housing Tax Credits, and tax-exempt bonds, the Town of Frisco is providing more than $11 million in gap funding to the development through the provision of $3.5 million in cash flow loans, $1 million to purchase the commercial space, $5 million from the Land Banking Grant, and up to $3 million in Strong Communities funds. The Town's new housing authority will provide a property tax exemption.

The NHP Foundation purchased the site in 2023 with a financial contribution from the Town of Frisco. The Town of Frisco's willingness to financially support the development of this site stems from the Town's desire to rapidly expand its affordable housing stock. Other important recent efforts by the Town to help make this development a reality include: the enactment of the Affordable Housing Incentive Program (which greatly increased the number of units that could be built on the site by providing density bonuses, parking reductions, and other incentives in exchange for affordable housing), the creation of the Frisco Community Housing Development Authority (which is providing a property tax exemption to keep the units affordable in the long-term), and the award of a Land Banking Grant and Strong Communities Grant to fund the project.

This project is in line with the Governor's desire to expand housing density in the state. This site's original zoning allowed only 11 units of market rate housing; however, by using the Town's Affordable Housing Incentive Program and density bonus, this project increased density by nearly 500% to 52 units. With the Land Banking Grant and Strong Communities Grant awards already in hand, this project also meets the State's objectives for deployment of Proposition 123 funds.

Location is the greatest amenity for this site. It is centrally located in Frisco's bustling downtown, with access to free transit within 300 feet of the site, meaning that 101 West Main Street is one of the few truly walkable and transit-oriented areas of Summit County. There is convenient service to job centers like Copper Mountain, Silverthorne, and Breckenridge. Located directly on Main Street, the site is within walking distance of jobs, education, health care, parks and government services. There are numerous businesses that offer employment opportunities within the income limits of the proposed units. Schools, restaurants, the post office, parks, banks, and grocery stores are all within 2 miles of the site.

The NHP Foundation ("NHPF"), a 35-year-old nonprofit affordable housing developer of over 18,000 units nationwide, is partnering with the Town of Frisco to make this project a reality. NHPF grew out of the Congressionally chartered National Housing Partnership and exists to create and preserve high-quality housing that is affordable to lower income seniors, families, and individuals and is beneficial to their communities. This project is unique in that roughly half of the project's sources have already been committed through the awards of Land Banking and Strong Communities grants and Town of Frisco local funds. With entitlements already in place, the project's readiness to proceed is high.

This project is ready to proceed. All funds are awarded, with the exception of the tax credits and tax-exempt bonds.

Bond Financing Structure:

- $17,250,000 in PAB paid down to $4,050,000 in long-term PAB
- CHFA will be the bond issuer and volume cap provider
- Construction to Perm structure anticipated with a private placement single lender
- There will be a conventional second during construction.

QAP Priorities: 101 West Main Street serves a non-metro county under 180,000 people; the population of Summit County was 30,631 in the 2020 census.

Criteria for Approval in Section 2 of the QAP

Market Conditions: The proposed AMI and unit mixes reflect market demand based on the results of the market study conducted in July 2024. Numerous market factors support the need for this development:

- The average vacancy rate among comparable properties is 1.2%.
- 77 local business owners surveyed by the Town noted they have unfilled positions or difficulty hiring and retaining employees because of housing costs. The Survey has reached 77 of approximately 350 businesses, or 22%. We estimate from this sampling that there are approximately 581 unfilled positions not including the understaffing that Breckenridge, Keystone, and Copper Mountain have been experiencing.
- In the market area, 68% of renter households consist of one or two people. Our unit mix of studio, one- and two-bedroom units is responsive to household size.
- The Larkspur, a comparable 52-unit affordable housing development in nearby Breckenridge, opened in early 2024 and received over 770 applications in four days.

101 West Main Street will use income averaging to respond to the diversity of need (as shown in Summit County's most recent Housing Needs Assessment). Major employers in the community, including Vail Resorts, have increased minimum wage to over $20/hour. With the seasonal nature of the local economy, these higher pay rates are anticipated to be a good fit for 80% AMI pricing. The market study notes that the proposed rents are 20% to 79% below market rates and demonstrate a "significant rent advantage" over the market rate comps.

Proximity to Existing Tax Credit Developments: 101 West Main Street will be the first LIHTC development in Frisco. There are no LIHTC developments within five miles of the site and only five tax credit developments within 10 miles.

Project Readiness: With an allocation of 4% LIHTC and Colorado Affordable Housing Tax Credits (AHTC), 101 West Main Street will be fully funded and ready to proceed. It received Final Planning approval on June 20, 2024. The project team is poised to begin the building permit application process. We anticipate receiving the building permit and closing the financing in Spring 2025, which is critical to take full advantage with the short building season in Summit County. We anticipate construction completion in the second half of 2026.

Overall Financial Feasibility and Viability:
The Project is financially feasible if awarded an allocation of Private Activity Bonds and AHTC. In addition, NHPF is assuming federal tax credit equity from R4, construction and permanent financing from JLL, soft loans from the Town of Frisco (as outlined above), and deferred developer fee. SLP participation from Frisco Community Housing Development Authority helps to support the feasibility of construction and ongoing property operations. NHPF, equity syndicators, lenders, and our financial consultants, RCH Jones Consulting and KDM Consultants, have run the current project assumptions through their tax credit financial models.

Experience and Track Record of the Development and Management Team: The Town of Frisco and NHP Foundation initiated their partnership in 2022. Since then, the project team has worked diligently to design a housing development that will meet the needs of the Frisco community. The design, construction type, and unit affordability levels are all the result of extensive deliberation and community input through a lengthy rezoning process. Town elected officials and staff have been supportive and active partners in the development process and remain committed to the development, providing land, gap financing, and long-term ownership through their new housing authority. As the developer, The NHP Foundation brings national experience developing over 18,000 units of affordable housing in 16 states, using a variety of funding sources including federal, state, and historic tax credits; social impact equity; and federal and local funds. We have assembled a development team that complements this national reach with extensive Colorado and mountain experience, including locally based Allen-Guerra Architects, Norris Design, Group 14, CFC Construction, Corum for Property Management, and RCH Jones Consulting.

Project Costs: The parcel at 101 West Main Street is relatively flat and regularly shaped, with access from two roads. The site is currently home to an office building and parking constructed in the late 1970s.

To minimize cost and maximize the number of affordable units, the design team focused on a highly efficient and cost-effective design for this small, infill site. The site's prime location in the heart of downtown Frisco will allow residents to take advantage of many local off-site amenities, allowing us to focus on providing housing, reducing parking, and creating an efficient building layout. Some upfront costs during construction to allow the building to meet the Zero Energy Ready Home standard will translate to utility cost savings for residents in the long run. Strong support from the Town has also mitigated project costs through the provision of entitlement review fee waivers. For more discussion on the project costs and how they have been mitigated, see the High Cost Discussion section below.

Site Suitability: 101 West Main Street is a spectacular site for affordable housing, centrally located in the heart of Frisco. The property is roughly 0.8 acres located on Frisco's Main Street in the mountain resort area of Summit County, approximately two hours from Denver along I-70. The site is adjacent to Ten Mile Creek, but a 25' creek buffer precludes any wetland disturbance or development in the floodplain. The property has frontage on W Main Street and Creekside Drive. A 22,000 square foot office building with some underground and surface parking currently exists at the site. Built in 1979, the building is nearing the end of its useful life. A local bus stop is located across the street from 101 West Main Street, and parks, grocery stores, the post office, banks and dry cleaners all within two miles of the property. Transit stops within 300 feet take riders to job centers from Copper Mountain to Breckenridge to Silverthorne.

Underwriting Criteria Waiver Requests: A cost basis waiver has been requested for this project due to the higher cost of building in the rural mountain region as well as the added cost of complying with the Town of Frisco's updated energy and building codes.

Market Study Issues: None.

Environmental Study Issues and Mitigation: The Phase I Environmental Site Assessment (June 12, 2024 by Freedom Environmental Consultants, Inc.) does not show any Recognized Environmental Conditions (RECs) affecting the project site.

High Cost Discussion and Mitigations: The project team recognizes that the per-unit cost of 101 West Main Street may be relatively high compared to other applications. The primary reasons is the Zero Energy Ready Homes building code and the project's location in the High Rockies where lack of labor, higher material costs, and short building season drive up construction pricing. Additionally: 1) the relatively small size of the project means there are fewer units to share the fixed costs, 2) the cost to acquire transit friendly land in a ski town (condo's literally across the street are selling for $1300 / sq.ft), 3) the need to comply with federal Uniform Relocation Act requirements for any business tenants. However, we have endeavored to reduce costs and secure additional financing wherever possible, such that more than 30% of project costs will be financed by committed local and state resources.

Building in the rural mountain region brings unique costs, from smaller local labor pools to higher transportation costs for materials, to very compressed building seasons. 101 West Main Street is also a relatively small (52 units) project, making its per-unit cost higher than larger developments. To combat these higher costs as much as possible, the development team explored different construction methodologies and designs. While the team considered modular housing to speed construction timelines and lower costs, we ultimately decided to pursue a stick-built approach to minimize risk and uncertainty. Though the original design contemplated structured parking below the residential units to minimize the building footprint, the project team and Town agreed to move forward with a surface parked design to reduce construction costs and close the funding gap.

Community Outreach, Opposition Description, and Local Support: Frisco's first LIHTC project is generating tremendous local support as residents, business owners, Town staff, and elected officials all see the need for more housing for their lower income neighbors. For the past two years, NHPF staff have visited with elected officials, local employers, and residents about the need for affordable workforce housing in their community. Small business owners especially describe a pressing need for housing so they can adequately staff their businesses and retain talented employees. From healthcare to schools to retailers, 27 out of 35 businesses we reached out to in 2023 stated that they have job openings they're struggling to fill. Some even describe having employees who are living in their cars due to lack of housing. Over 62% of businesses surveyed by the Town in 2022 reported similar problems. In light of this, the Town's support of the project cannot be understated: it is providing significant gap financing and tax exemptions to make 101 West Main Street a reality. The passage of zoning code amendments providing development incentives for affordable housing earlier this year signals a wider commitment to affordable housing as well. State Senator Dylan Roberts and Speaker of the House Julie McCluskie also supports the project as a way to help meet the housing needs of the District (see support letters).

Promoting equity as well as economic mobility for residents: NHPF seeks to promote greater diversity, inclusion, racial equity, and social justice in addition to its long-established mission of providing sustainable, service-enriched affordable housing. Most local employers have job openings which they can't fill because potential employees can't find housing nearby, so they leave the area or don't come to the area at all.

NHPF increases access to opportunities for historically underrepresented individuals and businesses in the development and operation of its housing communities by: revising and implementing employee & vendor hiring practices with an IDEA lens (leading to M/WSBE and Section 3 participation that far exceeds municipal goals); conducting annual summer internships for teen affordable housing residents to introduce them to real estate & development; offering financial literacy courses through our Operation Pathways resident services affiliate; and reporting on-time rent payments to credit reporting agencies to help renters build credit histories. At 101 West Main Street, NHPF will implement these tools by: using our underutilized business-focused approach to identifying vendors; affirmatively marketing units to underrepresented groups; offering summer internship training to residents; and providing financial literacy and credit building opportunities.

Acquisition Rehab Section: Not applicable

4% housing tax credit application narrative

Project Name: 1139 Delaware
Project Address: 1139 Delaware Street, Denver, CO 80204

Executive Summary: At 1139 Delaware (the “Project”), Sherman Associates will create a safe, stable, and supportive living environment for individuals experiencing homelessness or at risk of homelessness in the Denver metro area. Developed in collaboration with the Denver Housing Authority (DHA), the Project focuses on implementing trauma-informed design principles to address the complex needs of its residents. By recognizing and responding to the impact of trauma, 1139 Delaware strives to create a healing and empowering environment that promotes long-term stability and well-being. Residents will receive supportive services provided by Family Tree, a Denver metro area nonprofit service provider. In addition to essential permanent supportive housing (PSH) units, the Project will also provide family units to community members at 60% of area median income (AMI) and below.

The Project site is located in a “High Opportunity Area” in the Golden Triangle neighborhood, defined as a Census tract where the median income is equal to or exceeds the median income for the Metropolitan Statistical Area. The site was assembled from two parcels (collectively 1101, 1123 and 1139 Delaware) by DHA, who then issued a Request for Qualifications (RFQ) to find a developer for this DHA Delivers for Denver (D3) Bond Program site. Sherman Associates was awarded the RFQ in 2023 with their plan for PSH and affordable family units for the site. The Project will have 132 units total, 80 of which will be PSH project-based-voucher supported units restricted at 30% AMI and below, while the remaining 52 units will be family units restricted at 60% AMI and below. The Project will serve several family sizes with 30 studios, 87 one-bedroom units, 10 two-bedroom units and five three-bedroom units.

The building will be seven stories tall, served by two elevators, with a brick, stucco and metal exterior with wood and metal accents. Construction will be two levels of post-tension on slab with 5 stories of wood apartment units and amenities above for a total of 7 stories. The Project will be all-electric, certified under the Enterprise Green Communities criteria, and meet Zero Energy Ready Homes requirements.

The trauma-informed design of the building is crucial for creating a safe and healing environment for residents who have experienced trauma. 1139 Delaware will feature six key elements of trauma-informed design including safety and security, sensory considerations, supportive spaces, flexibility and choice, nature and biophilic design, clear signage and wayfinding. Attachment #1 provides details on how trauma-informed design key elements will be implemented throughout the building.

Services will be provided by Family Tree and referrals for the PSH units will come from Family Tree and the Metro Denver Homeless Initiative’s Coordinated Entry System (CES). On-site services include orientation and move in assistance, case management, individualized service plans, referrals to off-site services, transportation, recreation and socialization, independent living skills training, mental health and substance abuse services, employment services, and services for families, including support groups and family advocacy.

All units will have central air conditioning, blinds, vinyl plank floors, high-speed internet hook-ups, built-in shelves, a ceiling fan, refrigerator, stove/oven, dishwasher, disposal, microwave and washer/dryer. Some units will also have coat closets, built-in desks, patios/balconies, and walk-in closets. PSH units will be furnished, addressing the need for residents to acquire furniture, especially after having been unhoused.

The common amenities include on-site management, bicycle maintenance/storage, a community room, multipurpose room, exercise room, picnic area, business center, courtyard, rooftop deck, dog run/park, EV-charging station, package holding area, conference room and community garden. Security features for the Project include limited access entries, security cameras, a courtesy patrol, and intercom buzzer system.

The Golden Triangle neighborhood, just south of the Civic Center, is amenity-rich and a transit hub. Within one mile of the site are several grocery stores, a mall, public schools from head start through high school, a college, recreation centers, parks, a library, a hospital and clinics, police and fire stations, multiple bus stops (within one-half mile) and a light rail station, and a variety of coffee shops and places to eat. There are also several cultural activities within walking distance of the site including the Denver Art Museum and the Colorado History Museum. With a walk score of 96, the site is considered a “Walker’s Paradise.” The site’s transit score is 74, considered “Excellent Transit” with easy access to light rail and buses that residents can use to access the entire Denver metropolitan area.

The Project will be financed with 4% federal low income housing tax credits and Colorado state affordable housing tax credits, 40 Project Based Vouchers (PBV) from DHA and 40 PBVs from DOH, private activity bonds (PAB), City of Denver Department of Housing Stability (“HOST”) soft funds, Capital Magnet Funds (CMF), Deferred Developer Fee, a special limited partnership with DHA for property tax exemption, a $100/year long-term ground lease from DHA, city and state Tenancy Support Services (TSS) funding, Medicaid revenue, and a services reserve funded by a portion of paid developer fee.

1. Describe the bond financing structure:
   Construction Period Bonds (Tax-Exempt): $32,156,786 Public Sale; Permanent Bonds: $17,712,000 Public Sale; Volume Cap Provider: City and County of Denver and CHFA; Bond Issuer: CHFA; Taxable Construction Loan: $4,772,517

2. The Project’s 80 PSH units will serve residents who are at risk for being unhoused, are currently unhoused, or are chronically unhoused.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
   Market conditions:
   60% AMI Units - The market study states that the Project’s location in central Denver is highly desirable for prospective renters given the very good access it provides to public transportation, shopping, community amenities and employment. The market analyst calculated a penetration rate of 21.9% for the 60% AMI units (the 30% AMI units are excluded because they are deeply subsidized and restricted units), an increase of only 4% from the existing penetration rate of 17.9%. The 60% AMI penetration rate is well below CHFA’s preferred threshold of 25%, and the market analyst believes this rate is likely overstated because other nearby LIHTC properties are drawing up to 50% of their applicants and residents from outside the Primary Market Area (PMA). The PMA is expected to add 372 renter households per year which is also not factored into the penetration rate calculation. The market analyst also points out that the Project’s rents are below the Housing Choice Vouchers (HCV) payment standards for Denver, which will allow HCV recipients to occupy the Project’s 60% AMI units, broadening its target market.

PSH Units - PSH units continue to be essential to helping house residents in Denver. The 2023 Point-In-Time (PIT) count found 5,818 unhoused persons in Denver, including 3,352 sheltered persons and 1,423 unsheltered persons. The 2023 count increased from the 2022 PIT that counted 4,794 homeless persons. 75% of the unhoused persons who were counted in the 2023 PIT count were individuals. 86% of the PSH units in the 1139 Delaware project could serve individuals (studio and 1-bedroom units) which is aligned well to serve the populations identified in the 2023 PIT data. The market analyst posits that demand for the Project's PSH is strong because of increasing homelessness in Denver, the Project's highly desirable location including close proximity to services, and Sherman Associates' utilization of the Coordinated Entry System to fill units.

The market analyst observes that Denver's vacancy rate has recently increased to approximately 7%. However, this rate likely does not indicate a reduced demand for affordable rental units. The higher vacancy rate can be attributed to several factors: a decline in leasing activity due to rapid increases in median incomes and rent limits in recent years, a recent uptick in evictions, and higher vacancies among units at 70% and 80% AMI, which this project does not include. Despite the upward movement in vacancy rates in the PMA, the market analyst concludes that 1139 Delaware will lease up an average of 15 units per month without concessions and will have 5% vacancy due to the continued need for income restricted units in the PMA.

Proximity to existing tax credit developments: There are 3,632 total existing LIHTC units in the PMA as of March 2024. Of those, 1,695 are family LIHTC units. The closest existing tax credit development is 12th and Elati Residences, built in 2008, located one block to the west of the Project, with 63 units serving families at 40-60% AMI and below. Broadway Residences, a 96-unit family development with units at 50% AMI and 60% AMI that received tax credits in 2003, is four blocks to the east of the Project. Forum Apartments, a 100-unit PSH development that was built in 1996 and renovated in 2023, is three blocks to the northeast. Villa de Barela, a 38-unit family LIHTC development that received tax credits in 2002, offers units at 40%, 50%, and 60% AMI and is four blocks to the southwest of the Project.

Project readiness: Zoning is in place for the Project, and Sherman Associates has already received concept plan approval from the City which positions the Project well to receive building permits in Q3-2025. The Project is being reviewed under the City's Affordable Housing Review Team (AHRT) program which prioritizes affordable housing projects to reduce the time for permitting approvals. Site Plan and Permit drawings from the Project architect KTGY are in process and Sherman Associates is ready to pursue financial close in the third quarter of 2025.

Overall financial feasibility and viability: The Project is financially feasible due to equity from 4% LIHTC, AHTC, and 45L credits, CMF from Impact Development Fund, and significant financial support from the City in the form of gap funding and TSS from HOST and DHA's partnership for property tax exemption and a $100/year ground lease. Sherman Associates' strong relationships with lenders and investors will maximize the private sector contributions to the Project. The State housing credits in this Project will be highly leveraged by other resources and efficiently utilized with a per unit State credit amount of <$14,000.

Experience and track record of the development and management team: Sherman Associates is an award-winning developer specializing in the development of quality housing and commercial properties. Having earned a strong reputation for quality and follow-through, cities around the country have turned to Sherman to pioneer redevelopment in their highest-priority neighborhoods. With 44 years of development and construction experience in Minnesota, Wisconsin, Iowa, Missouri, Colorado, and Florida, Sherman has a proven track record of delivering successful projects at urban infill and transit-oriented sites.

Sherman Associates has developed over 12,300 multifamily units and currently owns and manages over 7,000 multifamily rental units of which 70% are affordable. Sherman also owns and manages over 660,000 square feet of commercial space, five hotels, four Starbucks, three restaurants, and two solar gardens.

In 2012, Sherman Associates completed the construction of Phoenix on the Fax, a notable project located southeast of City Park along Colfax Avenue. This development, consisting of 50 affordable housing units, was financed through various sources including Federal 9% LIHTC, the Tax Credit Assistance Program, a HUD Insured Mortgage, HOST HOME Funds, and DOH HOME Funds. Phoenix on the Fax received strong support from The Fax Partnership and the Denver City Council.

Sherman Associates continues to own and operate this significant addition to Colfax Avenue, benefiting local neighborhoods such as the Greater Park Hill Community. This property represents a renaissance along Colorado Boulevard to Yosemite Street on Colfax Avenue, an area that has been a focus for the City of Denver's urban renewal efforts. The community is home to 50 households with incomes at or below 30%, 50%, or 60% of the Area Median Income, fostering a diverse population in terms of ethnicity, income, age, and household composition.

Since its lease-up completion, Phoenix on the Fax has maintained an average occupancy rate of 98%, with an average of only three units turning over each year. This reflects both the sound design and operation of the complex by Sherman Associates and the high demand for affordable housing in Denver. Additionally, the property offers 4,500 square feet of commercial space, home to local businesses that serve both the residents and the surrounding community.

Project costs: The Project's construction costs were estimated by Palace Construction, a local general contractor with extensive affordable housing experience. The Project's soft costs have been informed by Sherman Associates' recent LIHTC development budgets, and the operating budget by Sherman's comparable properties in its vast portfolio of affordable projects it owns and operates.

Site suitability: 1139 Delaware is ideally situated in the Golden Triangle neighborhood, providing residents access to shopping, restaurants, services, schools, green space, cultural enrichment, and public transportation within blocks of the site. A King Soopers is located across Speer Boulevard 0.3 miles away from the site. Center for Talent Development at Greenlee, a public elementary school, is located 0.4 miles from the site, with West Middle and High School located 0.2 miles from the site. The Colonnade Children's Center, a childcare center is 0.1 miles from the site. Denver Health hospital is located 0.4 miles from the site. The La Alma recreation center is 0.6 miles from the site and Sunken Gardens Park is 0.2 miles away. The light rail station Colfax at Auraria is 0.7 miles from the site, and there are several bus stops nearby served by various bus routes including the 9, 16, and 52. With these stops residents will be able to reach all metropolitan areas, many without a transfer. There is a movie theater and a mall 0.7 miles from the site. There are coffee shops and restaurants within easy walking distance as well as museums, art galleries, gyms and beauty shops. The ability to walk to these amenities makes this site ideal for residents to feel connected to their community and satisfied with the variety of places to seek employment or services, visit, shop, and eat.

4. Justification for waiver of underwriting criteria: Please see the cost basis waiver request (Attachment #2).

5. Address any issues raised by the market analyst in the market study. None.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. There were two RECs identified in connection with the site regarding potential soil and groundwater impacts. A Phase 2 ESA was performed and concluded that no further investigation

of potential impact from RECs is warranted. A Materials and Management Plan (MMP) is recommended to be established which would include procedures for identifying and handling of environmentally-impacted media, if encountered. Sherman will create and follow an MMP for the Project. The design of the project also mitigates soil and groundwater impacts as there is no underground parking.

7. Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP). 1139 Delaware is an infill development in a downtown-adjacent neighborhood on a small site (0.65 acre), which drives construction costs upward in order to get the density and parking requirements in a dense urban environment. In order to maximize the number of units on the site, the building will be seven stories with two levels of garage parking on the first and second floors. However, the Project's design keeps the building height under high-rise building codes which avoids an additional cost premium. Due to the DHA vouchers, the Project will also have commercial Davis Bacon requirements which increases construction costs by approximately $30,000/unit.

   Project costs are also higher due to the supportive housing component, which necessitates a higher ratio of common space to residential space in order to provide the necessary supportive services space. Ongoing supportive services costs are also a significant cost to the Project. Supportive service costs are estimated at approximately $630,000 per year. Services funding remains a challenge for PSH projects, but Sherman Associates and Family Tree have identified several sources to cover these costs including Medicaid funding, CDOH and HOST TSS, cash flow from Project operations, and a developer fee reserve fund.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). Community outreach is a key element of project design for Sherman Associates and the development team. Sherman Associates identified the importance of creating a neighborhood-serving design, emphasizing the importance of connections, and thoughtfully weaving this development into the existing urban fabric. Over the last 8 months Sherman Associates has invested significant time doing outreach to the community where the project will be developed, owned, and operated. Sherman Associates has become a member of the Golden Triangle Creative District association and hosted two public community engagement meetings at the Evans School, in the neighborhood where the project is located on February 15 and February 21, 2024. The meetings included project leader presentations along with elected officials for District 10 and the Denver Mayors office. The meetings had robust engagement, question and answer time, with good feedback and ultimately strong support for the Project. Please see Attachment #3 for details on the community meetings that have been held to date. Sherman Associates has given several virtual presentations to community organizations such as "All Families Deserve a Chance" and "Change the Trend" and taken meetings with several Denver City Council Members and leadership of several non-profits represented in the application's letters of support ranging from homelessness advocates and non-profits to the Denver Public Library (Attachment #4).

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. 1139 Delaware contributes to promoting equity by providing furnished, quality apartments for individuals and families experiencing homelessness or at risk of experiencing homelessness and giving them a place to be supported and flourish. This unique site in a High Opportunity Area will provide all of its residents with access to job centers and cultural centers promoting equity with access to an amenity-rich neighborhood. In addition, all of the Project's subcontractors with contracts over $1 million will be required to participate in Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) outreach and utilize sub-tier contractors to supply materials and perform work to meet DHA's MBE/WBE participation goals.

4% housing tax credit application narrative

Project Name: 1530 W 13th Avenue

Project Address: 1530 W 13th Avenue, Denver, Colorado

Evergreen Real Estate Group (Evergreen), an experienced LIHTC developer, owner, and manager of affordable housing, in conjunction with Shanahan Development (Shanahan), a leader in Colorado for affordable homeownership development – have a simple, achievable plan to build a 190-unit, 100% affordable housing development in the La Alma/Lincoln Park neighborhood of Denver. With a focus on families, just over 25% of the units (48 units) will be 3-bedroom and 4-bedroom units, providing family-size units in a neighborhood with a history of displacement of families, and severe lack of supply of affordable housing for families. Just over 33% of the units (64 units) will serve people at 30% AMI, addressing a critical need in the neighborhood that has no units at the 30% AMI level. This project will also provide much-needed 70% AMI and 80% AMI units for individuals and families - two other AMI level not currently being served at all in the area. The 1530 W 13th project is located on a prominent corridor in the Lincoln Park neighborhood that is at the genesis of a transformation, with millions of dollars committed to investments by public and private entities in the immediate area. The project site was purchased with $5.5M in support from the City and County of Denver and is adjacent to the transformational Burnham Yard development, the ever-expanding Auraria Campus in Downtown Denver, the future River Mile megadevelopment, and just a couple of blocks from La Alma/Lincoln Park and La Alma Recreation Center. This transit-oriented development site is just a short distance from three light rail lines and is adjacent to the RTD Platte Valley Flex Line bus stop – providing access to jobs, services, churches, shopping/retail, educational opportunities, and other critical amenities. The site sits in a QCT, and is currently zoned for multifamily, presenting the unique opportunity for a transformational high-density, high-design affordable housing project in a historically disinvested neighborhood of Denver. The 1530 W 13th project is a priority project of the City and County of Denver and has the full support of the City of Denver and The Office of Housing Stability (HOST).

Evergreen and Shanahan have worked closely with HOST to ensure deep targeting of units that will meet the need of the community, providing new opportunities for prospective tenants, and in particular families. The proposed concept includes 118 one-bedroom units, 24 two-bedroom units, and 44 three-bedroom units, and 4 four-bedroom units. This 100% affordable development will serve individuals or families at 30%, 70%, and 80% AMI. There are currently zero (0) 30% AMI, 70% AMI and 80% AMI units for rent in the Primary Market Area, with 1,300 households at those income levels still needing housing, even after 126 units at these AMI levels are built at 1530 W 13th. This project is truly serving an unserved population in this area.

This visually striking building, designed by Lorcan O'Herlihy Architects, will sit on a 1.99-acre site on 13th Avenue, a main corridor of the Lincoln Park neighborhood. The building design proposes a terraced building form along the western building elevation providing an auditorium of common outdoor spaces for residents as they overlook the Rocky Mountain front range. The all-electric construction of the project will support a geothermal system that will support high-efficiency HVAC units and hot water heaters, electric unit cooking, and EV-ready charging stations. 1530 W 13th will be the first affordable housing development in Denver – and one of only a few in Colorado - to achieve net-zero emissions using a geothermal system to support the heating and cooling and the water heating at the property. This project will pursue Enterprise Green Communities and Zero Energy Ready Homes certification by using "the heat beneath our feet", as Governor Polis says, geothermal energy will create more stability and perpetual savings for resident's utility bills and promotes renewable energy usage on a large scale. Utility bills are a major cost that traditional affordable housing restrictions cannot control, but leveraging a geothermal system to support the heating and cooling and water heating will create a mechanism within the building design to control utility costs for residents. A main goal of the design approach was providing access to outdoor space, and there will be over 12,000 SF of amenity deck space for residents to enjoy. Residents will enjoy open floor plans with market-comparable amenities, including full kitchens with Energy Star appliances and LED lighting, step-in showers, in-unit washer and dryer, low flow plumbing fixtures, vinyl plank flooring throughout the units, free on-site parking, access to a resident community room, fitness center, co-working space, community garden, secure bike storage, and on-site property management and building maintenance personnel. The location of the project site promotes the use of public transportation with a RTD Platte Valley Flex Line stop adjacent on 13th Avenue and a short walk to the RTD 10th & Osage light rail station serving the D, E, and H lines – providing access to all of Downtown Denver. To leverage the transit-rich location every resident will be supplied with an RTD NECO Pass.

This project has very straight-forward capital stack of sources of financing for this project that includes support from HOST, as the sole soft-debt source, State and 4% federal LIHTC, federal 45L credits, Deferred Developer Fee, and permanent debt.

1. Describe the bond financing structure and include the following:

- Total amount of bonds with a breakout of construction period bonds vs. permanent bonds: There will be a tax-exempt construction loan in the amount of $45,505,039 with a taxable "tail" of $15,500,000. There may be two tranches of the tax-exempt bond portion of the construction loan – one sized to the permanent loan and one a construction-only tranche.
- Bond issuer and volume cap provider: CHFA
    - Lender and bond sale structure: Private Placement or Public Offering - TBD
    - Portion of bonds that will be tax-exempt and taxable: $45,505,039 in tax-exempt bonds and $15,500,000 in taxable construction loan proceeds

2. Identify which, if any, of the priorities in Section 2 of the QAP:

While this project does not specifically address one of the three priorities in Section 2 of the QAP, this project does provide very deep affordability and family-size units, consistent with the goals of the HOST Strategic Plan, and also addresses almost all of the Guiding Principles in Section 2.A of the QAP

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

Market conditions

The market analysis provided by JRES Intelica CRE concluded that the proposed project has a very strong unit mix, unit sizes, and reasonable rents, and would be supported by extremely strong market demand. The market study mentioned the lack of 30%, 70% AMI, 80% AMI units and there are currently zero (0) units for those AMI levels in the Primary Market Area. Of all tax credit developments in the PMA, 1530 W 13th will be the only property to offer 30% AMI, 70% AMI, and 80% AMI units in an area that desperately needs these exact AMI levels and unit types. After all proposed units come online, there will still be over 1,700 qualifying households with need for housing that will still be unmet. The market study notes that:

> *Even after construction of the subject property, the remaining demand for units at 30%, 70% and 80% AMI levels will still be higher than any other AMI band. In fact, the residual demand in the subject's targeted AMI bands, after the subject and other proposed peer group properties are completed, will still constitute 70% of the total residual unit demand in the PMA.*

Proximity to existing tax credit developments

Due to the high density, urban core location of the project site is in close distance to other tax credit properties. Included in the demand analysis were 901 Navajo and the Denver Dry Goods building. The Denver Dry Goods building is at the extreme northern end of the PMA and does not offer a comparable suite of amenities as 1530 W 13th Avenue, unit types, or sizes. The 901 Navajo site is approximately 0.5 mile away from the proposed project site but does not offer any of the same AMI levels that 1530 W 13th does. It is very important to note the differences in the unit types, AMI levels, and amenities offered at other tax credit properties and the population served and amenities provided at 1530 W 13th. Out of 511 total income-restricted units in the PMA, there are currently zero (0), 30% AMI, 70% AMI, and 80% AMI units available. There are three AMI levels not currently being served at all by tax credit developments. 1530 W. 13th would be filling a void in the affordable housing offerings in this PMA.

Project readiness

This project will be ready to proceed to submit permit drawings to the City of Denver in Fall 2025. The development and design team have been working with the City of Denver's Affordable Housing Review Team (AHRT) and has completed one round of Concept Design with the City of Denver Department of Community Planning & Development (CPD). The site is currently zoned for mixed-use multifamily, and the building is being designed to be fully compliant with all requirements of the City of Denver Zoning, Energy, and Building Codes. All environmental, geotechnical, survey, and energy scoring work has been completed on the site. The Project Team has also completed a comprehensive pricing exercise based on a detailed design set of plans and has even completed thorough value engineering work. With the assistance of AHRT, this project is currently on track to have a building permit from the City of Denver by the end of 2025.

Overall financial feasibility and viability

The project has been designed to maximize non-LIHTC and non-CHFA resources. The first mortgage is in line with our letter of intent from Jones Lang LaSalle for permanent debt in the amount of $27,910,000 with a 5.35% rate, which will be locked in at closing on a 40-year term and amortization. Using standard 2/3 trending, the project begins 1.15 debt coverage in Year 1, and trending toward 1.38 in Year 15. The only source of soft funds is in the amount of $9,000,000 from the City and County of Denver HOST, a strong signal of HOST's support of 1530 W 13th as a priority project. The development team is deferred approximately 40% of developer fee to support the project. The remaining components of the capital stack include federal 4% LIHTC, federal 45L credit. 1530 W 13th is also being supported by Denver Housing Authority, in the form of a commitment to act as a Special Limited Partner and take allow the project to take advantage of property tax abatement. One of the major strengths of this project is the straight-forward capital stack.

Experience and track record of the development and management team

Evergreen Real Estate Group principals bring nearly 100 years of combined experience in the affordable housing industry in various roles as owner, lawyer, consultant, property manager, educator, architect and urban planner. Evergreen Principals have developed over 2,500 units of low- and mixed-income housing in Illinois, Indiana, Wisconsin and other states, using the full range of affordable housing financing programs, from 4% and 9% LIHTC, to HOME and CDBG funds, to Section 8 and RAD resources. The EREG team currently has 3 LIHTC projects under construction, two projects scheduled to close and start construction by the end of 2024, another 5 projects actively under development (a mix of 9% and 4% projects), including the Rifle Apartments project recently awarded 9% LIHTC by CHFA. Denver-based project manager Javonni Butler has 10 years of experience in real estate and will be overseeing the project from Colorado.

Shanahan Development, founded by Jeff Shanahan, began his career in real estate development in 2010. Since then, Shanahan Development has gained extensive experience in developing affordable housing projects particularly focusing on homeownership condominiums, townhomes, and income-restricted housing across the Denver metro area. As an innovator in the financing of affordable multi-family housing, Shanahan Development has developed a reputation for taking complicated structures and successfully utilizing the proceeds of these financing structures to build high-quality workforce housing. Shanahan Development has entitled nearly $300M worth of multifamily, hospitality, retail, and public transit projects, which are either under construction or completed.

Evergreen Real Estate Services, LLC (ERES), Evergreen's property management company, manages more than 13,000 units of housing in nine states, with a mix of affordable, senior, market rate, and special needs properties, many covered by HUD operating subsidy contracts. ERES has a property management staff of more than 350 people, including accounting, compliance, human resources, and other corporate staff as well as site.

Lorcan O'Herlihy Architects was founded in 1994 and has built over 100 projects across three continents. Based out of Los Angeles and Detroit with twenty- five designers, our diverse work ranges from large, mixed-use developments and university residential complexes to art galleries and bus shelters. LOHA has been published in over 20 countries and recognized with over 100 awards, including the Architect Magazine's ARCHITECT 50 #1 Design Firm Award, AIA California Council Distinguished Practice Award, and AIA Los Angeles Firm of the Year Award.

Brinkmann Constructors is a national, employee-owned construction company that always takes a second look to find the best right answer. From our offices in St. Louis, Denver and Kansas City, we work nationwide focusing on the senior living, multifamily/student housing, warehouse/distribution, retail/mixed-use, office, healthcare, and hospitality/entertainment markets. Brinkmann has completed dozens of residential projects in the Denver Metro region, including many affordable housing projects that involve complex financing from local, state, and federal sources.

Project Costs

The Brinkmann Constructors team has extensive experience with both LIHTC and market-rate multifamily development, specifically in Denver, and their detailed schematic design level cost estimate draws on their strong relationships with trusted subcontractors and their historic corporate cost database to validate the proposed project's costs. The construction, design, and development team have been working together in a collaborative and iterative fashion to design a building consistent with the budget included in this application. The residential construction costs included in this budget are $329,994 per unit, fully consistent with recent construction pricing.

All other soft costs, including financing costs, are based on direct review of professional service fees in the market, or on conversations with lenders and investors about rates and terms relating to debt and equity placement. Because of the strong cashflow, Evergreen and Shanahan are deferring approximately 40% of its allowable developer fee to keep overall project costs down. We believe that the total development cost of just under $462,029 per unit is reasonable and appropriate given current economic conditions for a development of this size, scope, and significance.

Site Suitability

The site at 1530 W 13th Avenue, Denver, Colorado, is exceptionally suited for affordable housing development. Its prime location near major employment centers, reputable schools, shopping facilities, healthcare services, and public transportation ensures residents have easy access to essential amenities. Additionally, nearby parks and recreational areas provide valuable green space for outdoor activities, promoting a healthy lifestyle. The project site has favorable zoning, which is helping to optimize the housing density and addressing Denver's significant demand for affordable housing.

From an environmental and infrastructure perspective, the site boasts favorable conditions with no significant slope or noise issues, and it is free from environmental hazards, floodplain, or wetland concerns. The site is served by existing utilities.

4. Describe any requests to waive underwriting criteria (if requesting).

There are no requests to waive underwriting criteria.

5. Address any issues raised by the market analyst in the market study.

There were somewhat elevated Capture Rates, but not in the AMI bands targeted by the subject property.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

There were no issues raised in the environmental report Phase I completed by Specialized Ecological Services. There were no recognized environmental conditions found at our project site.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)

There is an added cost for the geothermal system, but the additional tax credits generated, along with the soft funds from the City and County of Denver, and potential rebates (not accounted for in capital stack whatsoever) support this innovative, renewable, and utility cost-saving amenity well worth the investment for residents.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

We have met with the local Councilwoman and shared the plans for the project and garnered her support. We have planned to meet with the local RNO now that the project is fully formed. We have approached this project with the community in mind, with the deep affordability, sustainable building elements, well-thought-out amenities, and high-level design. HOST has targeted this neighborhood as an area of on-going gentrification and invested $5.5M in the acquisition of the project site. HOST has targeted this project as a priority project based on internal data of community need and in pursuit of HOST Strategic Plan housing goals.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

The proposed development at 1530 W 13th Avenue is designed to significantly promote equity by providing affordable housing options in an area with excellent access to essential services and opportunities. By offering quality housing at affordable rates, the development ensures that low- to moderate-income families can reside in a thriving neighborhood, breaking the cycle of housing instability and creating a foundation for economic advancement. The strategic location near employment centers, reputable schools, healthcare services, and public transportation links residents to vital resources and opportunities, thereby reducing socioeconomic disparities and fostering a more inclusive community.

Economic mobility is also enhanced through the development's proximity to job opportunities and educational institutions. Easy access to public transportation facilitates commuting to various employment hubs, enabling residents to secure and maintain stable jobs. The nearby schools provide quality education, crucial for the long-term economic success of children and families. Additionally, the inclusion of community spaces and resources within the development can support skill-building, job training, and networking opportunities, empowering residents to improve their economic prospects. By integrating these elements, 1530 W 13th not only addresses immediate housing needs but also creates pathways for long-term economic growth and mobility for its residents.

4% housing tax credit application narrative

Project Name: 34th Street
Project Address: 3125 34th St. Boulder, CO

Executive Summary: Boulder Housing Partners (BHP), the Housing Authority of the City of Boulder, is pleased to present this application for our 3125 34th Street project. BHP seeks 4% Federal and State Low-Income Housing Tax Credits (LIHTCs) to develop the site into a vibrant and highly sustainable all electric 100% affordable housing community. The proposed site plan features 44 townhome style units which maximizes density under existing zoning, has been well received by the neighbors, and will provide thoughtfully designed family units which have been in demand in the BHP portfolio. The new project will consist of 10 one-bedroom units, 24 two-bedroom units, and 10 three-bedroom homes for households earning between 30% and 50% of Area Median Income plus fourteen project-based vouchers sourced from BHP. The location has a bike score of 98/100 and is a quick ride to the grocery store, school, coffee shop, and major job centers. The development of this vacant infill site will result in a unique, family-friendly townhome style rental community that offers residents easy access to open space, beautiful site amenities such as a playground and community garden and is central to all that Boulder has to offer.

Background: This project is a result of BHP's strong partnership with the City of Boulder. BHP purchased the property in 2015 with $3,000,000 in funding from the City. There is an affordability covenant on the land because of the City's involvement in the purchase that will become a permanent covenant upon the tax credit closing. BHP currently has three affordable projects under construction: one elevator-serviced 60-unit older adult building in south Boulder, one 100-unit high density workforce-oriented project in central Boulder, and one two building, 73-unit multi-family project in north Boulder. The 34th Street site focuses on two- and three-bedroom units with amenities that are desirable for families providing for greater housing options for applicants within our portfolio. BHP works to provide housing for the variety of housing needs that we see from affordable housing applicants and 34th Street represents an opportunity to provide diversity in our portfolio necessary to meet applicant demand. All current construction projects will be complete before we break ground on 34th Street, if awarded.

34th Street is located with easy walking or biking access to high-frequency transit stops along 30th Street, grocery stores, job centers and neighborhood serving retail. A connection to Boulder's expansive multi-use path will be built through the site, connecting future residents and neighbors to many miles of bikeable and walkable trails and commuter multi-use paths. Additionally, Howard Heuston Park is directly adjacent to the site, providing for a variety of recreational activities for future residents. A wildlife corridor runs along the northwest side of the property and will remain intact for future residents to experience the natural world in their backyards. All residents will enjoy small private outdoor space, community gardens, a nature-inspired playground, and walking paths. A new, standalone net-zero community center will be centrally located on the site and will provide the resident services and gathering space for future residents. Anticipated resident services include after school and parent programming, community food share, computer lab access, wellness programs and independent living referrals to other partner service organizations.

The architectural design of the site uses classic forms such as pitched roofs with economical material elements to establish a neighborhood feel and modern color palette to provide identity within the community. The proposed two-story townhome style buildings will be constructed with slab on grade foundations, pre-engineered wood framed walls with wood trussed floors and roof. Roofing at the residential units will consist of sloped asphalt shingles with a minimum 4/12 slope and exposed gutters. The buildings will be clad with various types of painted fiber cement cladding, with continuous exterior insulation at the walls, roof, and foundation to meet Boulder's Energy Code. The windows and glazing will be wood composite Andersen 100 series windows and will contribute to the high-performance envelope. Each unit will feature front porch entries, as well as secondary exterior entries to provide residents outdoor access and areas of semi-private outdoor space. Each building will provide secure bike storage and storage closets to encourage an active lifestyle. The small community building is centralized within the development and will contain a flex area, kitchenette, restroom, and one office for BHP management and resident services staff.

BHP has a goal to increase energy conservation through education and engagement and develops energy efficient buildings with a goal of near net-zero consumption. The City of Boulder's Energy Code continues to push our projects to the highest levels of sustainability. 34th Street plans to meet the Zero Energy Ready Homes certification as well as Enterprise Green Communities and EnergyStar. 34th Street will be an all-electric site with a goal of Net Zero Energy, a solar array, electric vehicle charging stations, easy access to public transportation including the provision of free Eco-Passes to residents, and significant water-wise and xeriscape landscaping.

We are thrilled to bring forward this unique project that provides necessary housing diversity in Boulder, helps the City of Boulder reach its affordable housing goal of having 15% of its housing stock be affordable, and improves connectivity in a diverse multi-family neighborhood. 34th Street creates not just deeply affordable housing, but serves to make Boulder more beautiful, sustainable, and equitable, which are all goals shared by BHP, CHFA and the City of Boulder.

1. Bond Financing Structure:
    - Total amount of bonds: Approximately $15,300,000 at the current 55% level paid down to an estimated $5,850,000 in long term bonds:
    - Bond issuer and volume cap provider: BHP will provide the PAB for the project and will serve as issuer.

- Lender and bond sale structure: The anticipated lender is ANB Bank with a private placement, single close drawn down structure.
- Portion of bonds that will be tax-exempt and taxable: There will be no taxable bond issuance.

2. Priorities in the QAP:
   Not Applicable

3. Criteria for Approval:

- *Market Conditions:* 34th Street's quiet neighborhood location is less than one mile away from major job centers, amenities, transit, and schools which will enhance its marketability as a family-oriented affordable housing community. Per the market study, demand has been strong for the existing affordable communities in the PMA, as evidenced by extremely low vacancy and generally long waiting lists, and demand is expected to increase. The property's more suburban-feeling location, just north of the downtown area will enhance its marketability as a family-oriented affordable apartment community. The 30%, 40% and 50% AMI LIHTC rents are achievable at the property and high occupancy is anticipated. We are confident, given our experience in leasing affordable units, the BHP Property Management Team will lease-up at a pace of at least 30 units per month without concessions. Per the market study, it is likely that the units will be fully pre-leased prior to delivery.
- *Proximity to Existing Tax Credit Developments:* There are several tax credit developments in proximity to the 34th Street site, and all are currently achieving high occupancy and rent levels. This alleviates concerns around unit absorption at 34th Street or negative impacts on other LIHTC communities. BHP's LIHTC properties in the vicinity, including Diagonal Court, 30Pearl and Canopy at Red Oak Park all have experienced strong demand, quick lease-ups, high occupancy, and low turnover. Demand remains exceptionally high for below market units in Boulder, especially in the transit and amenity rich neighborhood where 34th Street is located.
- *Project Readiness:* BHP owns the site, and site control is demonstrated through a Warranty Deed. We are on our final round of comments from the City of Boulder planning staff before we receive entitlement approval. The project is not required to be presented to Planning Board for approval but will appear on a call-up agenda in August 2024. We expect to have an executed Development Agreement affirming Site Review approval by October 2024.
- *Zoning:* The zoning for the site is Residential Medium 1 (RM-1) and the proposed unit mix, design, and programming will be approved under this zoning module. No zoning changes are needed for the current design. The density approved for the site is 44 units on 4.6 acres, of which 3.4 acres are buildable land. The project is under final review by Planning staff with approval expected in August 2024. We plan to submit Technical Documents to City planning staff upon Site Review approval with permits expected by Q2 2025.
- *Environmental:* The Phase I ESA discovered no Recognized Environmental Conditions (RECs).
- *Design:* The Schematic Design process has been completed and the 100% Schematic Documents have been included in this application, which have been priced by our General Contractor.
- *Overall Financial Feasibility:* We believe the construction and development of the Project is financially feasible if awarded. BHP has committed $3,000,000 and 14 PBV to the deal in addition to contributing the land. We have significant local gap funding from the City of Boulder of $100,000 per

unit, and we are anticipating extensive rebates from Xcel because of our sustainable features. In addition to LIHTC and AHTC equity, we are assuming a reasonable permanent mortgage with a conservative interest rate that is currently underwritten to a 1.20 DSCR. We intend to work with a selected investor to keep the land value assigned to the project as low as possible by utilizing a land lease. Finally, BHP is able to contribute all required private activity bond cap for the project.

- *Experience and Track Record of the Team:* 34th Street will be developed and managed by Boulder Housing Partners. BHP has over 55 years of experience building and managing affordable housing developments, including experience successfully managing over 1,250 apartments financed through the tax credit program. Our architect is Sopher Sparn and our general contractor is Deneuve Construction. These teams are very familiar with BHP, affordable housing design, and construction in the City of Boulder. Please see the project team's résumés for detailed information.
- *Project Costs:* Deneuve Construction has provided both summary and details for the hard cost estimates on the Project based on a Schematic Design Document package provided by the design team. BHP has worked closely with Denueve and Sopher Sparn to realize cost containments wherever possible.
- *Site Suitability:* The project site is centrally located with easy access to services, employment, and transportation. There is a Safeway grocery store located .5 miles away and residents will enjoy easy access to nearby retail, dining, and employment destinations within one mile. A brand-new multi-use path will run through the property and will provide safe pedestrian and bike access to nearby parks, recreation facilities, and downtown Boulder. There are also numerous transit routes within ¼ mile of the site including both local and regional routes. The Boulder BOUND route services the property via 30th Street and the Boulder Transit Village is .2 miles away.

4. Justification for any Underwriting Waiver and Financial Need for CHFA DDA Boost:
   Please see cost basis limit waiver request letter.

5. Issues Raised by the Market Analyst:
   There are no recommended changes from the market analyst. The study states that given the base of income qualified renter demand, nearby employment, the moderate amount of existing competitive supply in the PMA, only three new competitive supply properties now under construction, and high occupancy rates at affordable communities within the PMA, are all expected to result in the successful lease-up and continued operation of the subject. The low AMI rents will enable the property to lease quickly.

6. Issues Raised in the Environmental Report:
   No REC's were identified.

7. Unusual features Driving Costs Upward & Cost Containment:
   The total development costs of this project are a result of the infill site needing full utility infrastructure. BHP is experiencing increased construction costs due to labor and material escalations across the industry. We also see construction costs driven higher because of the City of Boulder's energy code which requires building efficiencies at more than 20% beyond the International Building Code, and specific City design criteria that require high quality exterior building materials. While these

factors increase the construction costs, the project and residents will benefit from a more efficient building with lower energy costs, and marketable and livable living spaces. Specifically, these factors have resulted in following costs:

- The City of Boulder's Livability and Transportation standards require additional storage space and bicycle parking compared to other jurisdictions in Colorado. This valuable, indoor square footage adds an estimated $50,000 to the project costs.
- Per the City of Boulder's highly stringent Energy Code, the project is required to install heat pump water heaters, which adds an additional $45,000 to the project compared to a more standard water heater.
- The City of Boulder's Energy Code also requires significant solar. Currently, we estimate $150,000 in solar panels and associated work.
- Finally, the utility infrastructure costs are driving the higher per unit cost at approximately $50,000 per unit.

BHP has offset these costs by providing direct gap funding in addition to securing local gap funding sources. These resources allow us to maintain a reasonable credit per unit request. We balance our need to be cost sensitive with the necessity to build quality buildings that will not require significant capital infusion in the next fifteen years. We also sought a confirming estimate. That second pricing exercise by a different general contractor came in more than $50,000/unit less than the original bid. The lower price and new GC are reflected in this application. This balancing act to produce high quality affordable housing requires extensive gap financing and unique solutions in every BHP affordable development.

8. Outreach to the Community & Local Opposition and/or Support:
   BHP has worked diligently to design the 34th Street project to benefit and fit in with the surrounding community. We spent considerable time talking with and receiving input from neighbors. Our most recent community meeting took place May 2024, and we received overwhelmingly positive feedback from attendees. We have not had any political opposition to the project.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.
   Deep affordability provided at 34th Street provides a significant discount from market rate rents which allows residents to have more financial capacity to pursue education, extracurricular activities for children, and increase family savings. In addition to safe, beautiful, amenity-rich housing, BHP provides several additional benefits to residents including free resident WiFi to combat the digital divide, free Boulder Rec Center passes to provide for access to recreational activities, and free Eco-Passes to encourage and enable mobility and a sustainable means of transportation. Affordable housing in Boulder has a direct correlation with increased equity for the families and individuals living there. BHP ventures beyond our core mission of keeping residents housed and into the realm of helping residents thrive.

4% housing tax credit application narrative

Project Name: 4340 S Monaco Apartments

Project Address: 4340 S Monaco Street Denver, CO 80237

EXECUTIVE SUMMARY: 4340 South Monaco (the "Project") is a proposed adaptive reuse, office-to-affordable housing conversion project, located in the Denver Tech Center. This 124,000 SF office building, formerly occupied by Invesco, was constructed in 2001 and includes approximately 176 surface parking spaces and access to 285 additional garage spaces. The property is being rezoned to allow for both commercial and residential uses. The Project will take an underutilized, vacant office building and Shea Properties, in conjunction with HOST (Bond Issuer) and DHA (Special Limited Partner) will convert it to 143, 100% affordable, apartment homes. The targeted population to be served by this project are working individuals and families. There are only three existing, non-section 8 properties in the thirty-eight census-tract PMA and only one that is proposed. With a sizable population of 134,698, and 30,321 renter households, there is a clear need for LIHTC housing opportunities within this area. The Project will utilize income averaging and target rent and income levels of 30%, 60% and 70% AMI. The Project will include a mix of unit sizes from Studios to 4-bedroom units. Anticipated project amenities include a clubroom, fitness center, indoor children's clubroom, community courtyard, storage facilities, laundry services, and more.

Location/Transportation/DDA: The Property is in the Denver Tech Center (DTC) near the I-25 and I-225 interchange. It is served by a well-developed local road network and is less than 1 mile from the Belleview Light Rail, Bus Station, and Flex Ride. We have initiated conversations with RTD on reinstating the bus stop directly adjacent to the property (further discussed within #10 Supporting Documents). The Property is adjacent to an integrated sidewalk, trail, and bike lane network and it is served by "Micro-mobility" transit options with scooter share services. The Project is within the Denver South Region which has the highest concentration of jobs in the Metro region.

The Project was in a DDA which expired at the end of 2023. On December 11, 2023, Shea Properties submitted a Bond Application to the City and County of Denver ("HOST") as the Bond Issuer to the Project and HOST has deemed this Bond Application complete, thus preserving the 30% tax credit boost for the project (see Attachment 1: Bond Issuer Letter). Successfully preserving this designation results in a $4M benefit to the project. However, this benefit will expire in December 2025, making the Project infeasible if it does not receive a State Tax Credit Allocation in this August 2024 competitive round.

Population/Bedroom Mix/AMI Targeting:

UNIT TYPE	AVG SIZE	AMI			# OF UNITS
		30%	60%	70%	
Studio	464	2	14	7	23
1 Bed/1 Bath	602	9	50	30	89
2 Beds/1 Bath	876	3	14	8	25
3 Beds/2 Bath	1,206	1	0	2	3
4 Beds/2 Bath	1,449	1	2	0	3
TOTALS		16	80	47	143
(Preliminary Design Unit Mix)					

Construction Type:

Exterior: The existing building is a pre-cast concrete building utilizing a slab on void foundation. Pursuant to the change of use from an existing commercial building to a residential building, the building type will change to Type IIB construction. The building's exterior is comprised of concrete panels with storefront and curtain wall windows. The building contains two (2) stair cores, and three (3) elevators, one of which is designated as a freight elevator. The site has 176 surface parking spaces and access to 284 additional garage spaces. Interior: The building's interior presents design limitations due to precast concrete structure and support beams throughout the floor space. The units, common areas, and amenities spaces have been carefully designed to accommodate for the use of the existing structure while all mechanical systems, plumbing systems, and fire suppression systems will be replaced to comply with the residential needs and code compliance. The interior of the units will be comprised of vinyl plank flooring, granite countertops, wood cabinets, energy star appliances and in-bedroom ceiling fans. The current window systems will be reused with added and upgraded blinds. Amenities: The project will have a wide variety of amenities. The exterior will have a community courtyard with barbeque grills, covered shade structure, seating areas and fire pit. Interior amenities will include a resident mail center, bike storage and repair center, tenant storage, laundry services, fitness room, clubroom, private work pods, a children’s club room, and a dog wash to be added in design. Energy Efficiencies: Apartment buildings will be certified under Enterprise Green Communities and Energy Star and will provide energy and water savings. Heating and cooling will be provided using a mix of VTAC and PTAC units and Cold Climate Heat Pumps. We are currently studying replacing the majority of the VTAC and PTAC with Cold Climate Heat Pumps throughout the building to boost energy efficiency. All appliances will be energy star appliances, and the lighting will be Energy Star Advanced.

Services: 4340 South Monaco will a tenant services program. The program will be tailored based on the specific needs or the tenant population at the Project. These services and programs will also adjust as the tenant population changes over time. Examples of the services and programs include but are not limited to After-School Programs, Nutrition and Health Initiatives, Fitness and Physical Wellness, Adult education Classes, and Community Events. See Attachment 2 – Resident Services Program for more information.

<u>Bond Financing Structure:</u>

<u>Sources of Financing at Construction and Lease up:</u>

Source of Financing Construction & LU	Amount of Funds	Term Loan	Amort (Years)
Tax-Exempt Bond Loan (Series A) **	$26,600,000	36 Mo ***	Interest only
Taxable Bridge Loan	$2,015,000	36 Mo***	Interest Only
Seller Carryback Loan	$9,842,500	30 Mo	Interest Only
Subordinate Gap Loan (Shea)	$1,930,000	36 mo.***	Accrued
Accrued Interest on Gap Loan	$308,754		Accrued
Partial Payoff of Construction Loan @ Completion	($4,282,000)		
Deferred Developer Fee	$4,614,502		
Cash Flow during lease up	$702,448		

Sources other than tax credits	$41,731,204
Tax Credit Equity - Investor	$12,855,474
Total Funds for Construction & LU	$54,586,678*

*Total Development Budget during construction and lease up does not include the $735,029 Operating Reserve which is funded at perm loan conversion. **Bond Issuer is City and County of Denver; ***6-month extension available

Provided below are highlights of the financing plan during construction and lease up:

1. Total tax-exempt bonds are $26,600,000 per allocation received from the City and County of Denver. Total Construction loan will be $28,615,000 consisting of the $26,600,000 TE Bonds and a taxable construction loan of $2,015,000.
2. Zions will purchase $26,600,000 of the tax-exempt bonds pursuant to a private placement transaction and these bonds will be used during both the construction and lease up periods until conversion to the permanent mortgage with Zions.
3. The tax credit equity investor shall invest its equity through a series of installments. Accordingly, Zions construction loan will act partially as a bridge loan until the equity installments are funded.
4. The Seller will provide a subordinate 2nd D of T Carry-Back Note of $9,842,500 until conversion to the Permanent Loan occurs (projected to be in Month 24). See form of Note in Purchase and Sale Agreement in Tab 18.
5. Shea Properties will provide a Subordinate 3rd D of T Gap Loan of $1,930,000 (See Term Sheet in Tab 7) during the construction and lease-up period. Interest is accrued during the construction and lease up period. Thereafter, payments will be paid subject to available cash flow subordinate to the payment of debt service on the senior bonds held by Zions and payment of the deferred development fee.

<u>Sources of Financing at Permanent Conversion & 8609:</u>

Source of Financing Permanent	Amount of Funds	Term Loan	Amort (Years)
Tax Exempt Bond (Series A)	$20,975,000	17	40 years
Subordinate Gap Loan (Shea)	$984,000	40	Cash Flow
Accrued interest on Gap Loan	$308,754	40	Cash Flow
Deferred Developer Fee	$3,755,461		
Cash Flow during LU and Stabilization	$1,231,907		
Total Amount of Funds from Sources Other than Tax Credits	$27,255,122		
Tax Credit Equity - Investor	$28,066,585		
Total Development Budget	$55,321,707		

Provided below are highlights of the financing plan during the Permanent Phase:

6. Total Project Cost at Permanent loan funding includes the $735,029 Operating Reserve.
7. Zions will retain $20,975,000 of the tax-exempt bonds as a permanent loan for the Project.
8. The tax credit equity investor shall fund the rest of its equity at conversion and 8609's. Total Tax Credit equity is $28,066,585 consisting of $8,100,000 of state tax credit equity and $19,966,585 of federal tax credit equity.
9. The Seller Carry-Back Note is paid off at conversion.

Shea Properties Subordinate 2nd D of T Gap Loan will be paid down to $984,000 plus accrued interest (See Term Sheet in Tab 7) at Conversion. Payments will be paid subject to available cash flow subordinate to the payment of debt service on the senior bonds held by Zions and payment of the deferred development fee.

PRIORITIES IN SECTION 2 OF QAP: Not Applicable

DESCRIBE HOW THE PROJECT MEETS THE CRITERIA FOR APPROVAL IN SECTION 2 OF QAP: The proposed project meets the criteria for approval contained in Section 2 of the QAP as follows:

Market Conditions: The Market Study captures that there are only three existing Family, Non-Section 8 properties in our 38-census tract PMA, and only one more that is proposed. The area is not overloaded with 60% AMI units.

Combined with a sizeable PMA population of 134,698 and 30,321renter households, the small LIHTC supply resulted in a 3.6% capture rate.

Proximity to Existing Tax Credit Developments: There are 6 LIHTC properties within the PMA or close by outside the PMA and 4 properties report 0% vacancy, one property reports 1 vacant unit (1.7%), and the last property reports 8 vacant units (12.7%). The property at 12.7% vacancy, per the Market Study, "... appears to be the result from property specific conditions." One LIHTC Project in the PMA received a LIHTC award in 2023 but is not yet completed. The very low capture ratio for the Project demonstrates substantial demand as well as lack of affordable housing in the PMA.

Readiness to Proceed: The Project is ready to proceed. The Applicant has worked with the City over the past 8 months and has received Planning Commission approval on the re-zoning request and final Zoning Approval will be received by City Council on August 12. All other discretionary approvals required for the project to proceed have been obtained. The design process is on a fast track to allow bond and tax credit closing within 4 to 5 months of tax credit award.

Overall Financial Feasibility and Viability: The development team has relevant design, construction, and operating experience. Further, Shea Properties has extensive experience in office development and office tenants' improvement buildout. 4340 South Monaco office adaptive re-use is an extensive tenant improvement buildout. Shea Properties has done 5 recent transactions with the tax credit investor and 1 recent transaction with the construction and permanent lender. The equity, debt, and developer team have a successful history of working together on affordable projects which benefit the overall project feasibility and assurances for successful project closing. All sources are reasonably expected to be obtained based on strong indications of interest from its financing partners as evidenced by the attached documentation.

Experience and Track Record of Development and Management Team: Provided below is a summary of the development and management experience of Shea Properties and other critical team members. Shea Properties is part of the J.F. Shea family of companies, a hundred-year-old company and one of the largest privately held real estate development and construction companies in the nation. Legacy achievements include the diversion channels of the Hoover Dam, foundations for the Golden Gate and Oakland Bay bridges and the tunnels for the San Francisco's Bay Area Rapid Transit (BART) system. Shea Properties is a $6 billion, full-service real estate firm. In Colorado, Shea has built, owns, and manages over 3,000 apartment homes including four completed (and one under construction) LIHTC projects in partnership with CHFA. These projects provide a proven track record of delivering on time and within budget. This will be our sixth project with CHFA, our first using State Tax Credits. Cumulatively, this development team has extensive experience in developing, managing and financing apartments and affordable housing.

Shea Properties: 12,018 Residential Units (34 projects); 812 Affordable (158 of which are Under Construction)

Davis Partnership: Since 2011, 7,823 residential units; 782 affordable or low-income housing units

JHL (General Contractor): Approximately 15,000 Market Rate and 743 affordable units, nearly all in Colorado.

Max Nardoni & Associates: 10,511 Residential Units Consulting; 6,600 Affordable

Cox Castle and Nicholson: 1,000 Affordable Housing Transactions

Novogradac & Co: Leading National CPA firm specializing in LIHTC.

Project Costs: Overall Project Costs are $386,800 per unit. This compares favorably to the Sophia (developed by Shea Properties in 2022 also interior corridors with elevators) that had overall project costs of $394,000. The Project will have interior corridors and 3 elevators which adds additional costs compared to garden style walk up new construction. The Project's construction costs were estimated by JHL, a local general contractor with extensive construction experience (>15,000 units built) in Colorado. One measure of cost reasonableness / comparable is to note that 4340 South Monaco does not require a Threshold Basis Waiver, whereas it is our understanding that most of the 4% LIHTC / State Tax credit awardees in recent years have required a Threshold Basis Waiver.

Site Suitability: Project site is ideal for a low-income affordable housing tax credit project due to its proximity to employment opportunities, transportation options, services, public parks along with other public amenities. The existing vacant office building presents an opportunity to bring affordable units to the market more quickly than a new build and eliminates the negative nuisance of a long-term vacant building thus improving the neighborhood. The Project's close proximity to low-income wage jobs and administrative jobs helps improve the jobs housing balance and allows the project's low-income tenants to substantially reduce their work commutes.

REQUEST TO WAIVE UNDERWRITING CRITERIA: None

ISSUES RAISED BY MARKET STUDY ANALYST: Please See Attachment 3: Responses to Market Study Recommendations and Weaknesses.

ENVIRONMENTAL ISSUES: The Phase I report (July 2024) concludes that there are no environmental issues present.

UNUSUAL FEATURES DRIVING COSTS UPWARD/COST: While converting an office building into a residential building presents unique challenges the ability of the assembled team has led to effectively and efficiently designing a building that is both functional and cost effective. As design processes progress forward cost sensitivity will remain a priority to ensure continued feasibility.

COMMUNITY OUTREACH/LOCAL OPPOSITION: Shea conducted extensive community outreach for rezoning and financing. We held two on-site open house events with about sixty attendees. The rezoning application received support for affordable housing and repurposing a vacant office building but faced opposition from Cherry Hills Village over procedural concerns and proximity to transportation. It was unanimously approved by the Denver Planning Board and LUTI Committee. For financing, Shea collaborated with neighboring jurisdictions on Private Activity Bonds (PABs), creating a regional partnership. Denver allocated $17.7M in PABs, Centennial $6.7M, and Englewood $2.1M, with final approval pending final assignment documents.

CONTRIBUTION OF EQUITY AND ECONOMIC MOBILITY TO RESIDENTS: Tenants will benefit from substantial rent savings and reduced economic burdens due to affordable housing options near jobs. The PMA where the project is located consists of newer, higher-rent housing which pushes many residents to seek lower-rent options further away resulting in longer commutes. Proposed tenant services include tailored adult and child education classes. This project can serve as a prototype for future office-to-residential affordable housing conversions.

ACQ/REHAB NARRATIVE: The project primarily involves interior demolition and rebuilding, including electrical system removal, selective foundation removal for new plumbing, and elevator part replacements. Exterior windows will be maintained, and the roof resealed extending its life by 15 years. Interior construction will follow typical new construction processes, including framing, mechanical, electrical, plumbing, and fire sprinkler systems, insulation, drywall, and interior finishes.

Relocation (if applicable): Not applicable

10-year rule: Satisfied; See Tab 25 in the application.

Capital Expenditures Over Last 2 Years: Minor; property has been vacant for six years.

Previous Related Party Relationship: None

Past Local, State, or Federal Resources Invested in the Project: None

Obvious Design Flaws: After significant due diligence, we are unaware of any significant design flaws.

Obsolescence Issues: While the building itself remains, the major building systems will be replaced. Shea will install new mechanical systems, plumbing systems, electrical systems, and fire suppression systems. The elevators will be upgraded, and the roof will be repaired and resealed.

Safety Issues: There are no major safety concerns. The structure of the building is in good condition and all major systems will be replaced or renovated accordingly.

Significant Events That Have Led to Current Need for Rehab: Not Applicable; the building is an existing commercial use and has been sitting vacant.

Attachment 1: Bond Issuer Letter

Attachment 2: Resident Services Program

Attachment 3: Responses to Market Study Recommendations and weaknesses

4% housing tax credit application narrative

Project Name: 5000 Tower Apartments

Project Address: 5000 Tower Road, Denver, CO 80249

5000 Tower Apartments will provide 146 units of affordable housing and 148 parking spaces in the fast-growing Green Valley Ranch Community. The project is situated on a 3.5-acre site zoned C-MU-20, which allows for a building area of 156,000 sq ft and requires at least 140 parking spaces. The project is in a Difficult to Develop Area (DDA), highlighting its eligibility for various development incentives.

The Green Valley Ranch neighborhood in Denver is undergoing rapid growth and transformation, making it a pivotal area for expanding affordable housing options. With median home prices exceeding $590,000 and average rentals approaching $3,700, affordability is a significant barrier for many residents. 5000 Tower Apartments, with its 66 one-bedroom units, 58 two-bedroom units, and 22 three-bedroom units, serving families with incomes ranging from 30% to 80% of AMI, will help address critical housing needs for a wide range family sizes and income levels.

Each unit will be equipped with modern amenities, including large walk-in closets, full kitchens with granite countertops, garbage disposals, dishwashers, microwaves, and washer/dryers. The project includes amenities such as EV charging stations, on-site management, an exercise facility, a community event space, and outdoor community courts that are designed to activate the exterior of the building and foster a sense of community among residents. The open-concept lobby and community space provide seating areas, Wi-Fi, a conference room for meetings when needed, and other features that are helpful for individuals who work remotely, ensuring a high-quality living experience for all residents.

The project consists of two three-story wood-framed, slab-on-grade structures with conditioned interior corridors and four stair towers. The buildings will have a pitched parapet with a flat roof, allowing for hidden roof-mounted solar panels and utilities. Exterior finishes will include a mixture of red and grey brick, fiber cement siding, and asphalt shingles.

The community amenities around the proposed development are impressive. The 28-acre Town Center Park is right across the street, where residents will find easy access to a lake, playground, walking trails, sports fields, a skate park, and the indoor Green Valley Ranch Recreation Center (GVRRC). In addition to all the exercise and recreation offered at GVRRC, they provide free meals to youth in the community daily and offer free youth summer camps and programs.

Residents will also benefit from convenient access to grocery stores, pharmacies, and a variety of restaurants within walking distance. Groceries and a pharmacy are available only two blocks south of the project at King Soopers and the Natural Grocer, with Walgreens only two blocks further to the south. The project is also close to many great schools, including Green Valley Ranch Middle & High schools, Rocky Mountain Prep RISE & Green Valley Ranch schools, KIPP Northeast Denver Elementary, Middle & Leadership schools, Dr. Martin Luther King Jr. Early College Middle & High schools, Omar D. Blair Charter

School, Highline Academy Northeast school, and the SOAR at Green Valley Ranch school are all located within a one-mile radius of the project.

Public transportation is available half a block north of the project at 51st and Tower Rd, and two blocks south at Tower Rd and Green Valley Ranch Blvd. The project's proximity to the Green Valley Ranch neighborhood and the Colorado Aerotropolis provides residents with access to major job centers, including advanced manufacturing, aerospace, agriculture, renewable energy, healthcare facilities, and significant employers like Amazon, Shamrock Foods, Coca-Cola, Pepsi, and Denver International Airport. This proximity to job centers is critical for promoting economic mobility among residents by reducing transportation barriers and providing easier access to employment opportunities.

In collaboration with Group 14, the project is committed to energy efficiency and greenhouse gas reduction, aiming for NGBS Bronze certification. Key features include all-electric cold climate split system heat pumps, a low power density LED lighting package, Energy Star appliances, double-glazed windows, low-flow plumbing fixtures, water-efficient landscaping, solar panels, electric vehicle parking stalls, and a high-efficiency electric boiler system for hot water. These features ensure lower operating costs and a reduced environmental footprint, demonstrating our dedication to sustainable development.

5000 Tower Apartments will promote sustainable development practices by expanding affordable housing options in a mixed-use, walkable area like Green Valley Ranch. This includes reducing dependence on cars, supporting local businesses, and cultivating a vibrant, diverse community atmosphere where everyone has the opportunity to live, work, and thrive.

5000 Tower is located in census tract 83.89, which is a 2024 DDA. Financing for the project will include tax credit equity generated from the sale of 4% LIHTC and state LIHTC, tax-exempt bonds, HOST funding from Denver Office of Housing Stability, proceeds generated through a sale leaseback of the land, and deferred developer fee.

1. Bond Financing Structure:
   - $31,000,000 in PAB paid down to $14,250,000 in long term PAB
   - CHFA will be the bond issuer and volume cap provider
   - Construction to Perm structure anticipated with a private placement single lender
   - There will be a conventional second during construction.

2. Priorities in Section 2 of the QAP:
   - Not Applicable

3. Project Criteria Approval (Section 2 of the QAP):
   - *Market conditions:* According to the market survey, there is a high demand for LIHTC developments in Denver, where occupancy levels are stable. The demand estimate indicates there are more than enough income-eligible households in the project's Primary Market Area (PMA), resulting in an overall capture rate of 17.7%. One comparable LIHTC development has a waitlist, while three others have minimal vacancies and reported leasing paces of less than a month. The project should benefit from this high demand; based on an absorption rate of 25-30 units per month as projected in the market study, the project's units are expected to be absorbed into the market within five to six months.

   - *Proximity to existing tax credit developments:* The market analyst identified seven family LIHTC properties within the PMA, totaling 1,103 LIHTC units, which average over 96% occupancy.

- *Project readiness:* The project is on track to for financial closing and construction start in November 2025. The project is properly zoned and all of the pending entitlements are administrative. The project has been selected by the City of Denver for the AHRT program, which will result in a shorter overall review period for our project.
- *Overall financial feasibility and viability:* The Project is financially feasible if awarded an allocation of 4% LIHTC and State AHTC. In addition to LIHTC equity generated from an allocation of federal and state credits, we are assuming construction to perm financing from KeyBank, soft financing from the Denver Office of Housing Stability, proceeds from a sale leaseback of the land, and deferred developer fee. We also assume a partnership with the Denver Housing Authority as Special Limited Partner, providing real estate tax exemption for the project. KeyBank, the tax credit equity investor, and our financial consultants, RCH Jones Consulting and KDM Consultants, have run the current project assumptions through their tax credit financial models. This detailed initial underwriting has revealed minimal risk points based on the current information. Appropriate contingencies are in place to account for the volatility of construction pricing.
- *Experience and track record of the development and management team:* Elsey Holdings LLC (doing business as The Prime Company ("TPC")) is a vertically integrated real estate development company led by a team that has been responsible for the development, investment, and management of over $450 million in real estate assets. Based in Manhattan, Kansas, with over 100 team members who provide development, architectural, general contracting, and property management services. TPC is able to deliver market-leading efficiency and quality through this vertically integrated approach. To date, TPC has completed nearly 1,600 units in 14 separate projects across 7 states, all of which they still own and operate. Elsey Holding closed on its first tax credit transaction in 2023. The project is located in Los Angeles, CA and is currently under construction, on budget and ahead of schedule. Marc Welk, Elsey Holdings Director of Affordable Housing, has over 15 years of affordable housing experience.

  TPC has engaged RCH Jones Housing and KDM Consultants given their deep knowledge and background in LIHTC consulting in Colorado. In addition, TPC will hire FPI to manage the property, leveraging their experience in managing over 74,000 affordable units. This will ensure maximum operational efficiencies while maintaining resident comfort, compliance, and the durability and maintenance of the building.
- *Project costs:* Cost Engineers Inc (CEI) was hired to provide a third-party cost analysis. In addition, Elsey Holdings' construction division, Prime Built, completed construction of a 146-unit surface parked apartment complex in Englewood, CO in December of 2023. The construction costs for the Englewood project are in-line with the cost estimate and TDC will be able to leverage those existing sub-contractor relationships. All of these analyses were based on the schematic design documents created by Architects at Prime Design.
- *Site suitability:* The site is zoned for and located in a mixed-use area. The neighborhood features some impressive amenities. Across the street is the 28-acre Town Center Park with a lake, playground, trails, sports fields, a skate park, and the Green Valley Ranch Recreation Center, which offers free meals and youth programs. Within a 5-minute walk are grocery stores, pharmacies, and restaurants. Residents have easy access to public transportation and job centers. There is a bus stop ½ block to the north, the Denver Metro Trail system is close by, and the Pena Light rail station is also easily accessible. The development is near major job centers, including Denver International Airport, the new Pepsi and Coca-Cola plants, an Amazon hub and the recently launched Aerotropolis, providing numerous employment opportunities.

4. Underwriting Criteria Waiver Requests
    - Not Applicable

5. Issued Raised by the Market Analyst in the Market Study.
    - Not Applicable

6. Issues Raised in the Environmental Report
    - Not Applicable

7. Unusual Features that are Driving Costs Upward, and Opportunities to Realize Cost Containment
    - There are no significant or unusual features driving up costs relative to the project site. However, the increased emphasis on promoting green buildings, which we support, does elevate the cost of construction. TPC has the unique ability as a vertically integrated developer to use the synergy between all of our departments to create value and increase efficiency that results in cost containment without cutting corners.

8. Outreach to the Community and Any Local Opposition and/or Support for the Project
    - As we have engaged the local community, we have not received any local opposition for the project; rather, we have found great support for the project. In addition to meetings with Denver Housing Authority and HOST, we have met with the City Commissioners office. Denver's Office of Children's Affairs provided a support letter for our project, as they provide free meals for youth across the street at the Green Valley Recreation Center. We reviewed the schematic design documents with the Denver Police Department's CPTED program to get their guidance on design choices to address community and resident safety. We spoke with local economic development groups, and some of the large employers in the area like Coca Cola and Denver International Airport. Everyone we met with was excited about the prospect of high-quality, affordable housing coming to the community.

9. How Does the Proposed Development Contributes to Promoting Equity and Economic Mobility for Residents.
    - The proposed development in Green Valley Ranch promotes equity and economic mobility by addressing the urgent need for affordable housing in a rapidly transforming neighborhood. With median home prices exceeding $590,000 and average rentals nearing $3,700, many residents are priced out of the area. This development offers affordable housing for individuals and families with incomes within the 30-80% AMI range, ensuring they can secure safe, stable homes without financial strain.

      Green Valley Ranch boasts a USA Today Diversity Index of 88/100, highlighting its rich cultural diversity. Expanding affordable housing options here not only supports economic diversity but also fosters inclusivity, allowing people from various socioeconomic backgrounds to live and thrive together. By reducing housing costs, the development enhances economic mobility, enabling residents to invest in education and career advancement. This project is set to make a substantial impact on the community, promoting inclusivity, economic stability, and growth in Green Valley Ranch.

By ensuring access to affordable housing for families and individuals, the project plays a crucial role in promoting equity and economic mobility for residents and the broader community, inspiring positive social change.

10. Acquisition/Rehab Information.
    - Not Applicable

4% housing credit application narrative

Project Name: Atwood Commons

Project Address: 130 Third Avenue, Longmont, CO 80501

ATWOOD COMMONS

Brikwell is pleased to present Atwood Commons, a 72-unit, four-story building in downtown Longmont. Atwood will have one- and two-bedroom units with an AMI set aside from 20% to 80% AMI, and will be the first property in Longmont to offer 20% AMI units, meeting a significant unmet need. Furthermore, since the design and entitlement processes are so advanced, the completed units could be delivered by the end of 2026. The level of detail available in the plans (100% DD including MEP) and local subcontractor-informed budget also enables the development to mitigate cost escalation and get to closing more quickly (estimated July 2025).

Atwood Commons has meaningful local support from the City of Longmont and the Longmont Housing Authority, as it meets a significant number of the City's goals for development given it is an infill/re-development site, with transit-orientation, and high-density housing in a designated Area of Change (see section 10 for further detail). The City of Longmont has committed a total of $1.8 million to Atwood, including $1 million cash flow loan and reduced municipal fees and City use tax by a combined $800k. In addition, Longmont Housing Authority has awarded Atwood eight Project-Based Vouchers as well as agreed to partner and provide a property tax exemption. The City of Longmont has also fully approved the Site Plan and Plat (May 2024), fully securing the right to develop Atwood Commons as designed and commence the building permitting process immediately upon receipt of a LIHTC award.

The service commitment from OUR Center further strengthens the Atwood Commons community and resident quality of life by both providing on-site programming and proximate access (380 feet) to the 25,000 SF OUR Center headquarters. OUR Center has been the go-to resource for Longmont residents for 38 years, and in 2023 they visited over 19k+ households seeking assistance, provided $900k+ in housing financial assistance and referrals for over 1.5k+ households, served 57k+ hot meals, and provided classes and programming to 3.2k+ individuals. OUR Center is fully committed to Atwood Commons, and Brikwell is grateful for their support, partnership, and history serving the Longmont community.

Location

Atwood Commons is located on a one-acre parcel, at [130 3rd Avenue, Longmont, CO 80501], in the qualified census tract 134.01. The Project is four blocks East of Main Street, two blocks East of the Longmont's Civic Center (Longmont Housing

Authority, library, community development, services) and is considered Very Walkable with a Walk Score of 85 (compared to Longmont's average Walk Score of 39). The nearest bus stop is 260 feet from Atwood Commons, and this service provides transportation throughout Longmont as well as connections to regional transit. Atwood Commons is ideally located to provide access to employment opportunities and economic mobility with its proximity to the Longmont Civic Center and Main Street stores, employment, and restaurants. To encourage the use of public transit, Atwood will apply for NECO passes and has budgeted a RTD NECO pass for every household.

Unit and Project Amenities

Unit type	20% AMI	30% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Total
1 Br / 1 Ba	1*	2*	7	3	3	2	18
2 Br / 1 Ba	3*	7*	18	9	9	8	54
TOTAL	4	9	25	12	12	10	72

- Four units at 20% AMI and four units at 30% AMI will have Project Based Vouchers.

Each of Atwood Commons' units will have central heat & air conditioning, blinds, luxury vinyl plank flooring, high-speed internet hookups, refrigerator, stove/oven, dishwasher, disposal, microwave, stainless steel appliances, granite countertops and in-unit washer & dryer. The common area amenities will include on-site management, bicycle maintenance/storage, a community room with kitchen, exercise room, picnic area, playground, business center, and package holding area. Its security features will include electronic access entries, security cameras, courtesy patrol, and a front door call box. OUR Center will provide on-site tenant services, which will include adult education classes, computer classes, resume writing, job search assistance, social activities, and more.

Atwood Commons is conceived as a four-story "L" shaped single building, holding the southwest corner of the site, with surface parking, EV chargers, and EV-ready tuck-under parking. Atwood will be constructed with wood framing (type V-A) over an on-grade spread-footing foundation, and will feature a flat reflective white TPO roof (good for dual-sided PV) as well as dual secured access points. The public access front door is on the South side facing 3rd Avenue, adjacent to the community room and leasing/management office. The resident parking and exterior amenity access is on the North side of the building, adjacent to the mail room and indoor bike storage. Building circulation will be conditioned interior corridor, serviced by an elevator, making all units fully ADA Type-B convertible and Type-C visitable; with elevator lobby and end-of-corridor daylighting by windows incorporating trauma-informed design details. Exterior skin comprises fields of fiber cement panel, shake siding, vertical siding, and lap siding, creating a modern, mountain color palette similar to design trends in hospitality and multifamily.

Atwood Commons is committed to exceeding code requirements by designing 12.5% of its units to better serve the needs of disabled populations. This includes both Type A units and units with communication features. The most recent Longmont Housing Needs Assessment noted that over 4,000 Longmont residents have an ambulatory disability. Atwood will work with the local disability community (i.e.: Center for People with Disabilities) to ensure the units are properly marketed to those who can best use them.

Services

Brikwell is pleased to have an MOU in place with an on-site programming service commitment from OUR Center, conveniently located a block away (380 feet). Atwood Commons' proximity to OUR Center's 25,000 SF headquarters makes for an ideal partnership. The services OUR Center will provide on-site and at their nearby headquarters will include a Community Café hot meals program, Community Market food pantry, financial literacy/budgeting classes, employment assistance referrals, life skills training program, parenting support groups, assistance with referrals to agencies for childcare and transportation, and emergency financial assistance. Brikwell will also continue to work with OUR center staff and Atwood Commons' residents to curate other services and programs that residents would like to see offered.

Energy Efficiencies

Atwood Commons is conceived as an all-electric community and has engaged Group 14 Engineering to provide sustainability certification and commissioning to the following standards: 1) 2021 International Energy Conservation Code (IECC), 2) National

Green Building Standard (NGBS) – Bronze Certification, and 3) ENERGY STAR Multifamily New Construction Certification for the 45L Tax Credit. Atwood will also utilize on-site rooftop Photo Voltaic solar panels to generate electricity and offset community energy usage. The PV solar panel array is expected to generate 232,400 kWh/year. Additionally, Atwood will adhere to water-wise and non-functional turf new construction requirements, as well as provide two EV charging stations, with three additional EV-ready parking stalls.

Financing

Atwood Commons will be financed using tax-exempt Private Activity Bonds, and equity from the sale of Federal, energy, and state LIHTCs. Additionally, Atwood has been awarded $1,000,000 in funds from the City of Longmont. With Longmont funds and Vouchers already awarded, Atwood can move directly to closing with our financing partners once we've received a LIHTC award.

Describe the bond financing structure and include the following:

- Total amount of bonds with a breakout of construction period bonds vs. permanent bonds. Total construction bonds equal $26,395,944. Permanent bonds equal $10,188,528.
- Bond issuer and volume cap provider (please specify whether you are seeking CHFA bond-financed loan(s), CHFA conduit bond issuance only, or if bonds will be issued by a local issuer other than CHFA) CHFA will be the bond issuer and volume cap provider.
- Lender and bond sale structure (public sale/ private placement, takeout, securitization, etc.) Bellwether will provide a private placement bond structure, which will serve as both construction and permanent financing.
- Portion of bonds that will be tax-exempt and taxable. Tax-exempt bonds will be $15,000,000 with a taxable tail of $4,811,472.

Market Conditions

The LIHTC comparable properties in Longmont are 96% occupied and have experienced steady occupancy of 95%-100% over the past 6 months. Two of the comparables had waitlists with 244 and-35 applicants, illustrating substantial pent-up demand for affordable housing. Most of the surveyed LIHTC properties were attaining rents at up to 60% AMI at or near the maximums suggesting that Atwood Commons can achieve the maximum allowable 30%, 40%, 50% and 60% AMI rents. Atwood Commons has discounted both the 70% and 80% rents to below LIHTC maximum rents and below market rate to better serve those residents and ensure a successful lease-up. The City of Longmont completed a Housing Needs Assessment, which documented an affordability shortage of 2,173 units of housing for households at 50% AMI and below. Additionally, the number of cost-burdened renters earning between $35k-50k and between $50k-75k grew 40%+ from 2013 to 2021. Approximately 7,000 households in Longmont are cost-burdened and another 5,700 are severely cost-burdened (spending more than 50% of their income on rent). Cost burden and severe cost burden collectively affect over half of Longmont renters. Longmont is experiencing a housing crisis and the City is strongly supporting affordable housing and the development of Atwood Commons.

Proximity to existing tax credit developments

The primary market area has 26 LIHTC projects containing 2,010 income-restricted units. Of these, six are age-restricted projects with 347 units and 20 are non-age-restricted properties that have 1,663 dwellings. 1,581 of the tax credit units are comparable to Atwood Commons in regard to income and age restrictions. The LIHTC comparables have limited vacancy and sizeable waitlists, demonstrating that new LIHTC units will not compete with existing LIHTC units.

Project Readiness

Atwood Commons is unique in project readiness as it has been in design and entitlement for over 30 months with the City of Longmont and all referral agencies. Zoning is considered use-by-right, and the Site Plan and Plat were both approved in May of 2024. These critically needed units can be placed in service within two years of award. The land has been under contract and in the Site Planning process for almost two years with an outside land closing date of July 14, 2025. We are hopeful to receive credits in 2024 such that we can fulfill our contract timing and break ground as soon as possible.

Design and Construction Status

The current design documents represent a 100% Design Development (DD) Set of Architectural, Mechanical, Electrical, and Plumbing design. Assuming tax credits are awarded, full construction documents will be completed by Q2 2025, with an anticipated building permit and groundbreaking in early Q3 2025. Given the one-acre parcel and single building four-story, wood structure, construction of Atwood Commons is anticipated to take approximately 18 months, with an anticipated certificate of occupancy in Q4 2026.

Overall Financial Feasibility and Viability

Atwood Commons has been conservatively underwritten (2% escalation, 5% contractor hard cost contingency, 5% owner hard cost contingency) to best manage the current cost volatility in the market. The ability to commence construction within 2-3 quarters of a LIHTC award significantly mitigates cost escalation and financing risk. Additionally, Atwood's general contractor, KCI, is Longmont-based and has been able to run a buy-out/bid process with the regional subcontractor market based on the 100% Design Development plan set, further mitigating project cost risk in construction pricing. The soft cost budget is directly informed by currently engaged design and consultant contracts. With this level of certainty, Atwood Commons is a viable and financially strong opportunity.

Experience and Track Record of the Development and Management Team

Brikwell's leadership has over 50 years of aggregate real estate investment and development experience. Over the past 17 years, Brikwell principals have developed 4,000+ multifamily units and 3.3M+ SF of retail/office space, totaling $1.9+ billion of constructed cost. Brikwell's current affordable housing portfolio comprises 770 units with a capitalized cost of $74 million. Longmont Housing Authority as property manager brings a wealth of experience and intimate knowledge of the Longmont market. All other members of the team (general contractor, architect, etc.) have executed multiple successful LIHTC projects in the past. For additional details on the Team, please see the Resume and Development Experience sections.

Project Costs

As illustrated in the Detailed Cost Summary, Atwood Common's general contractor (KCI) was able to utilize a well-developed set of design plans to price Atwood Commons with a very high level of specificity. KCI is local to Longmont and active in the Affordable multifamily construction space, making Atwood Commons a great fit for their skill set and subcontractor relationships. Many of the project line items were sent out for bid to multiple subcontractors, with which KCI has direct project experience and long-standing relationships. The project cost represents detailed take-off and direct subcontractor buyout/bid work, with known and vetted subcontractors who have experience in this type and scale of multifamily construction. The selected subcontractor costs represented in the project costs budget will result in a high-quality project that fits within the intended scope, budget, and schedule.

Site Suitability

Atwood Commons is a model urban infill location, located on a minor arterial street with great visibility and access to shopping, public transportation, schools, recreation, government services, and employment options. It is in Downtown Longmont, is just steps from OUR Center, and is walking distance of a bus stop, convenience store, library and municipal services. Additionally, it is within 0.5 miles of neighborhood shopping, childcare, a park and elementary school, and is within one mile of shopping, a grocery store, a medical clinic and a senior center.

Underwriting Waivers Brikwell is not requesting any underwriting waivers.

Address any issues raised by the market analyst in the market study

The Market Study recommended no changes, but did note the units were smaller than average. We considered making the units larger, but by doing so, Atwood Commons would be reduced to 55 total units, with an increased cost of $112,000/unit. This change would drastically reduce both the availability of affordable units offered (-24%) and increase costs (+27%) such that economic viability would be greatly impacted. Atwood Commons' unit sizes represent current trends in market rate and affordable housing by incorporating more efficiently planned units with higher, nine-foot ceilings and larger windows that live and feel as large as previous generations of housing. Brikwell is confident that Atwood Common's superior urban infill location, modern unit design, and expansive amenities will make Atwood Commons a successful and vibrant community.

Address any issues raised in the environmental report(s)

A Phase I ESA (5/19/2023) and Phase II ESA (7/6/2023) were conducted and identified the need to export ~300 CY of diesel/oil-impacted soil. Atwood's budget and scope include remediation by a certified contractor, supervised by an environmental engineer, and conducted to all EPA standards. Please see further detail in the Environmental Assessment Detail.

Any unusual features that are driving costs upward, any opportunities to realize cost containment

Atwood Commons has maximized efficiency and simplicity in design to directly address the current cost environment. Atwood's single wood structure and stacked unit plans and dual loaded corridor is cost-effective in design by providing both economies of scale and a maximized floor-area-to-skin ratio. Utilizing a rooftop solar PV array as well as an all-electric building system reduces the total cost and number of utilities running to and throughout the building. The current cost analysis represents a buyout of 100% DD plans, and the ability to break ground within 2-3 quarters of tax credit award reduces the potential impact of cost escalation over time.

Describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support).

Over the past 30 months, the Team has interfaced and received the support of Longmont's Planning Staff, Downtown Development Authority, Transportation Planning, Public Works Engineering, Drainage & Natural Resources, Power and Communications, Fire Department, Police Department, Housing Department, and Housing Authority. Financial support for Atwood Commons has been received by the City of Longmont in the form of discounted municipal fees (~$800,000), and a soft funding loan from the Longmont Affordable Housing Fund ($1,000,000). Additional support has been received from the Longmont Housing Authority and City Council in the approval of our Special Limited Partnership (received from City Council 6/20/2023). Additionally, Longmont Housing Authority awarded eight Project-Based Vouchers, further strengthening the economic viability of Atwood Commons. As property manager and partner, Longmont Housing Authority has also provided continual design input to the Team in the design process of Atwood Commons. We are grateful for the opportunity to work with such high-quality community partners on another successful development that directly addresses a growing need and will benefit the Longmont community for decades to come.

Promoting Equity and Economic Mobility

Atwood Commons promotes equity and economic mobility by serving residents of all backgrounds by following Fair Housing practices and accepting a wide range of income levels from 20%-80% AMI. Our partnership with OUR Center (detailed above) provides a vast array of on-site and off-site services that will serve all residents of Atwood Commons. On a neighborhood level, Atwood Commons' proximity to downtown Longmont will increase access and mobility to its residents by placing them just steps from employment, services, and social opportunities, ensuring equal opportunities, resources, and treatment for all. Downtown Longmont is just a short distance from Atwood Commons and is easily accessible via walking or biking. That said, to ensure residents have equal access, Atwood will provide an RTD NECO pass for every household to utilize zero-cost regional transit. Lastly, the Atwood's indoor and outdoor amenities are intended to be both convenient and healthy (fitness, bike storage) as well as foster personal growth, friendship, and community growth through social interaction (BBQ/social gathering area, community room, business center).

Additional Supporting Narrative Items

1. MOU with OUR Center
2. OUR Center Brochure
3. Support Letter from Habitat for Humanity

4% housing credit application narrative

Project Name: Compass Pointe

Project Address: Oakshire Lane and Beaumont Street, Pueblo, CO 81001

Kittle Property Group is excited to present Compass Pointe for a third time. The site plan and project approach has been significantly improved to include more information for construction pricing. Historically, this neighborhood was disenfranchised from the City of Pueblo, and community leaders are seeking to right those wrongs with public investment and extensive new growth in the area. Overall, Pueblo is growing quickly, the housing shortage is acute, and Compass Pointe will make a positive contribution to the more than 4,000 housing units needed over the next 10 years[1].

The site is adjacent to the Veterans Affairs Office, a solar garden, park, and single-family neighborhoods. There is ease of access to Highway 50 and Highway 47, a transit stop within 225 feet, and close proximity to numerous job hubs and education opportunities. This site is in a Qualified Census Tract. Compass Pointe will consist of 192 units in six buildings. It includes a diverse unit mix of one through four-bedroom units with income averaging. Specifically, 10 units will be at 30% AMI, 6 at 40% AMI, 9 at 50% AMI, 133 at 60% AMI, 18 at 70% AMI and 16 at 80% AMI. Kittle Property Group has responded to local market demand for larger units to serve families, including intergenerational families who are struggling in the current tight housing market and has reviewed achievable area market rents to make sure the higher income assumptions have an appropriate discount. Residents will also enjoy a comprehensive amenities package, including a clubhouse with leasing office, pool, fitness center, business center, and game room, dog park, in-unit washers/dryers, and 36 garages.

There will be six residential buildings, a freestanding clubhouse, maintenance building, and five garage buildings. The residential buildings include four buildings that are three stories, and two buildings that are two stories. This development will be all-electric with residents will be paying their own utilities, except trash, through a sub-metering system. This provides a system that keeps residents from being overburdened with deposits but encourages the conservation of resources. Security cameras will be in place for tenant safety. NGBS certification will be the green standard used. Compass Pointe has generated a great deal of support from the City and County staff and elected officials, Pueblo Housing Authority and the broader community. Evidence of this support includes commitment of $750,000 in local HOME Funds,

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[1]Workforce housing need established in *Pueblo Housing Assessment and Strategy* September 2021 Gruen Gruen + Associates page 36.

local private activity bond inducement, fee waivers, and letters of support from the Mayor, Pueblo Housing Authority, the Chamber of Commerce, and the YWCA.

Project Finance

The project will be financed with 4% LIHTC equity, State Affordable Housing Tax Credit equity, Private Activity Bond proceeds, a significant sponsor note, a local contribution of $750,000, net operating income contribution during lease-up, and deferred developer fee. The City of Pueblo has committed to assign their private activity bond cap to the project. Property tax exemption and sales and use tax exemption through Pueblo Housing Authority is anticipated and will be formally applied for upon an award of resources.

- Total amount of bonds: ~$38,500,000 in tax exempt PAB at the 55% level with a local PAB contribution. The long-term PAB are expected to be about $22,300,000.
- Bond issuer: CHFA
- Lender and bond sale structure: We are expecting a private placement execution.
- Portion of bonds that will be tax-exempt and taxable: $38,500,000 of the bonds are expected to be tax exempt. We are assuming a ~$16,500,000 taxable tail during construction.

QAP Priorities

Compass Pointe is located in a non-metro county with a population under 180,000.

Criteria for Approval in Section 2 of the QAP

Market conditions:
The market conditions in Pueblo indicate a highly favorable environment for this proposed project. Pueblo County is projected to need nearly 10,000 housing units over the next 10 years. Housing supply has fallen significantly short of population growth, particularly in multifamily construction and for households below 80% AMI. Residential construction in the City and County of Pueblo was hit hard by the Great Recession and never fully recovered. New building permits dropped from 1,400 to 120 issuances per year between 2001 and 2011. Recovery has been slow, with permit levels now at about 50% of pre-recession levels. And, nearly all permits in recent years are for single-family detached housing.

More than half of renters in Pueblo County are cost burdened. The percentage of households with cost burden increases to 67% for those in the 30-50% AMI category and 75% for households below 30% AMI[2]. The primary market area has a vacancy rate of 0%. The Pueblo Housing Authority maintains a waitlist which currently has 2,007 applicants seeking affordable rental housing, up from 1,552 last year alone.

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[2] Ibid.

The project market study notes extensive pent-up demand for multifamily development of this type and price point. The total capture rate is 8.3%. Lease up absorption is anticipated to be 15 units/month with no concessions.

Proximity to existing tax credit developments:
There are 25 family LIHTC properties in the primary market area. Six LIHTC properties are located within five miles of the site and identified as the primary comparable properties. Compass Pointe generally has comparable rents and location, and slightly superior amenity package and condition. Compass Pointe is the only non-deeply subsidized family LIHTC project planned or under construction in the position to respond to the extensive pent-up demand. The market study notes excellent condition, larger unit sizes and superior project amenities are Compass Pointe's most significant strengths. The project is located in a rapidly growing area, which City leadership has been specifically seeking to make investments that improve the diversity of housing types, jobs and services.

Project readiness:
The project is zoned correctly and is ready to proceed to building permit plan set review. All utilities are available and easily accessible from the property.

Site Control:
Kittle Property Group has an executed contract for purchase of the site. The contract meets CHFA site control requirements.

Overall financial feasibility and viability:
Compass Pointe is financially feasible if it receives the requested allocations of 4% LIHTC, AHTC and bond cap. We believe this project, and the resources Kittle Property Group brings to the table, presents a unique opportunity for CHFA to fund a larger unit count in this round considering the absence of DOH funding. As a well-established vertical developer/sponsor, KPG is able to bring a lot of resources to the table to help fill the gap and make larger deals feasible. Kittle Property Group, US Bank, the proposed equity partner, and the financial consultant, RCH Jones, have run the project through their tax credit financial models, providing consensus on its financial viability under the current assumptions. Furthermore, we have provided existing plans and data to local builders for extensive third-party feedback on costs.

Experience and track record of the development and management team:
Ranked in 2022 by Affordable Housing Finance as one of the nation's top 10 largest affordable housing developers, Kittle Property Group's expansive portfolio includes over 20,000 apartment homes in 18 states, providing quality homes for over 35,000 individuals and families. Kittle Property Group's first development in Colorado, River Bend Residences, is a 9% deal in Idaho Springs that completed stabilized operations in early 2021.

Kittle Property Group is a vertically integrated company that serves as the developer, the property manager and general contractor of its properties. As long-term owners, durability and sustainability and operating efficiencies are important to Kittle Property Group – as is a solid commitment to the communities in which it does business. Kittle Property Group has learned through experience that local partnerships are key to a project's success. That is why Kittle Property Group has worked extensively with local stakeholders in Pueblo and partnered with RCH Jones Consulting and Williford LLC. RCH Jones Consulting are local experienced consultants with over 20 years of experience in the affordable housing industry, mostly specific to Colorado.

Project costs:
The project costs for Compass Pointe reflect current hard cost information and have been reviewed and verified by a third party, Cost Engineers, Inc. While construction costs in Colorado have been increasing rapidly, the proposed construction approach very familiar to Kittle Property Group, and the company's vertical integration is key to their ability to contain costs. In addition, KPG obtained a construction consultant that is an expert in the Colorado Springs to Pueblo corridor to ensure the most accurate costs were projected. In order to account for the volatile commodities and labor markets, Kittle Property Group has included an owner hard cost contingency along with additional soft cost contingency and allowances for cost progression.

Site suitability:
Compass Pointe is located in the Eastwood neighborhood of Pueblo, which is a suitable location for a non-age restricted multi-family property. This site has convenient vehicular access and good visibility from adjacent streets. There is a transit stop within 225 feet of the site, with service to downtown and several employment hubs. The immediate neighborhood includes residential uses, institutional uses, parks, vacant land, as well as US Veteran's Affairs Department Nursing Home and Eastwood Heights Park. This site has good access to shopping, employment, services and schools. Specifically, Baca Elementary school is 425 ft from the site, and East Side Child Care, Rocky Mountain Head Start, Heaton Jr. High School, Pueblo East High School, and Pueblo Community College are all within two miles.

The site is a level, buildable, infill site, which will connect to existing utilities and residential streets. There are no recognized environmental conditions.

Issues Raised by the Market Analyst in the Market Study
None.

Issues Raised in the Environmental Report Submitted with Your Application and Mitigation
No RECs.

Unusual Features that are Driving Costs Upward and Opportunities to Realize Cost Containment
Kittle Property Group is proud to bring forward a project proposal that we feel has exceptional cost containment. We have increased the density on the site, enabling us to spread the land and soft costs across more units. We have proposed an all-electric project, and have completed energy modeling for an alternative UA, enabling us to bring more debt to the project. And, our proven scale and vertical integration gives us purchasing power that improves our competitive advantage in this volatile market.

Description of Outreach to the Community and any Local Opposition and/ or Support for the Project
Brenda Haddad with Kittle Property Group has done extensive outreach in the community, including several trips to Pueblo to meet with community leaders. Outreach included meeting with the Mayor, City councilman for this district, City Council, City staff, Executive Director of the Housing Authority, Chamber of Commerce, YWCA, County Council, Community Commission on Housing & Homelessness, and members of the Eastwood neighborhood. Throughout that process, she has gathered feedback that has helped to

inform the project design and financing strategies, as well as gathered encouragement and tangible support for the project in the form of financing commitments and letters of support.

Describe how the Proposed Development Contributes to Promoting Equity as well as Economic Mobility for Residents

Access to quality, affordable housing is key to reducing intergenerational poverty. The housing we are proposing at Compass Point will support families with the stability of affordable rents, professional property management, and new construction. Access to high quality affordable housing creates better outcomes for people across health, longevity, education, and income metrics, including increasing the likelihood of children finishing their high school education.

Kittle Property Group takes this mission seriously and has initiated a partnership with the Housing Authority of Pueblo to provide homes that have amenities that cater to family needs. Compass Pointe offers an important second step on the housing ladder, which is missing for many in Pueblo. Steven Trujillo, Executive Director, has said that his primary purpose in forming a partnership with KPG is to free up subsidized housing inventory for those most in need. The goal is to take those who have been able to use their time within the Housing Authority units to improve their economic status and move into Compass Pointe. This development will provide amenities on par with most market rate units and be able to provide a long-term home, and stability, for families looking to eventually purchase their first house.

The City of Pueblo has a population that includes 54.71% non-white population, and the neighborhood in which Compass Pointe is located is historically majority Latino. It is especially important that we invest in this community to provide the same level of affordable homes that can be found in other Colorado cities. Given the lack of housing supply in Pueblo in general, this development is one of the City's most significant opportunities to increase affordable housing supply in the near future.

4% housing credit application narrative

Project Name: Creekside Flats

Project Address: 5375 W. 10th Ave., Denver, CO 80214

Executive Summary

Archway Investment Corporation is pleased to present *Creekside Flats*, a Transit-Oriented Development (TOD) that will deliver 150 new units of affordable housing to Denver. This project brings to fruition the long awaited transformation of the site located at 5375 W 10th Ave in Denver. Creekside Flats will create new affordable housing that will increase the density of the site of the former Jody Apartments, and will re-envision a building that had fallen into disrepair, into community oriented housing designed to serve individuals and families for generations to come. Archway understands that the State, The City of Denver and CHFA are prioritizing TOD sites. Governor Polis has stated that housing, transit and affordability are all linked and Colorado needs to make progress on them together to meet our ambitious goals.

Creekside Flats, adjacent to Sheridan light rail station, is a prime example of a TOD site that will greatly benefit the community. Creekside Flats will offer 150 homes in a trauma-informed community that supports the well-being of the whole resident. Archway has partnered with Shopworks Architecture to implement and pilot an evidence-based, Trauma-Informed Design (TID) process, layered with an intentional and proactive community engagement strategy along with Archway's long-standing commitment to services (Attachment A). Trauma-Informed Design features include open unit layouts, high quality appliances, safe bike storage, and intentional in-unit and common area design elements. In addition, residents will enjoy a variety of high-quality shared amenities including flexible community space, outdoor space, and a health and wellness facility.

The community at Creekside Flats will serve a range of incomes and family types, with units ranging from 30-80% AMI and a mix of 1, 2 and 3-bedroom homes. Given the TOD specific features of the site, Archway has designed a broad bedroom mix to accommodate both individuals and families to align to the community's needs. Additionally, Archway has considered valuable feedback from the community and will be focusing on high livability units, including increasing the number of bathrooms and adding in-unit washers and dryers. Over 50% of the units will offer 2 or 3 bedrooms, with all 3 bedroom units featuring 2 bathrooms. Twenty-two units will be set aside for households at 30% AMI.

Throughout the lease up and life of this development, Archway will work closely with organizations such as Urban Peak, to make units available to youth who have experienced homelessness (Attachment B). According to the most recent Point in Time Count conducted by the Metro Denver Homeless Initiative (MDHI), 5% of persons experiencing homelessness in Metro Denver in 2023 were youth between the ages of 18-24, highlighting the critical need for more housing dedicated to this population. Across Archway's current portfolio, approximately 30% of residents are persons who identify as previously experiencing homelessness.

Thus, the Archway approach to housing and services is focused on helping to address the specific needs of this population.

Supportive services are at the heart of Archway's mission and Creekside Flats will feature a suite of supportive services that will support the residents' health, social capital and well being. Archway will provide services focusing on health and wellness, substance abuse linkages, community building, financial literacy, life skills and more, outlined in the Supportive Services Program Attachment C. Archway will provide a weekly no-cost produce and pantry program, mental health support through a partnership with Ardent Grove (Attachment D), Neighborhood Ecopasses (Attachment E), and provide regular onsite childcare through a partnership with Jovie (Attachment F). Archway has actively engaged in conversations with locally led organizations and plans to partner to provide financial counseling and to work with local Promotoras (community navigators) to increase access to the affordable homes at Creekside Flats.

Creekside Flats is in a QCT and currently zoned as C-MX-8. Denver Community Planning and Development has confirmed that the proposed use and density is allowable under the current zoning. The building will be 4 stories of wood frame construction, contain tuck-under parking, and include two stairwells and two elevators. The design prioritizes sustainability and climate resilience. The building will be electrification ready and include a dedicated outdoor air system, water conserving plumbing fixtures and photovoltaic arrays. Plant materials will be used to create shade and cooling and xeric, native landscaping will be utilized to enhance the built environment.

The project financing plan includes the following: Proceeds from the sale of Federal and State Low Income Tax Credits, as well as a construction loan and permanent mortgage, gap financing from the City of Denver, an FHLB grant and deferred developer fee. The Denver Housing Authority will participate as a special limited partner to help achieve property tax exemption. The project has also received interest from Senators Bennet and Hickenlooper and both have recommended it for Community Project Funding through HUD, solidifying the priority this high value site has in the community.

1. Describe the bond financing structure:

Construction Period Bonds (Tax-Exempt): $34,000,000 - Private Placement; Permanent Bonds: $22,753,000 - Private Placement; Bond Issuer: CHFA; Taxable Construction Loan: approx. $14,078,200

2. Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP):

Project does not serve Homeless Persons, persons with special needs, or low population counties.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

Market Conditions: Market conditions in the Primary Market Area are strong, with historically low vacancy rates as per the market analyst. The overall capture rate for Creekside Flats is 15.9%. The capture rates based on AMI-specific levels are as follows: 30% AMI: 5.5%; 50% AMI: 18.2%; 60%AMI: 39.2%; 70% AMI: 3.1%; 80% AMI: 2.9%. The capture rates calculated assume a 30% in-migration, which is typical for a TOD site. Affordable properties in the PMA have experienced rapid lease-up rates and long waiting lists. Although the market study showcases a higher capture rate at the 60% AMI level (39.2%), the market study also notes that there would still be a high number of income qualified renters to be served at the 60% AMI level. For example, the starting salary for teachers in Denver is $54,141 and the starting salary for firefighters in Denver is $66,430. Both of these income levels fall into the 60% AMI level for 1, 2 and 3 person households. Creekside Flats is located within the Denver Public School System and there are 10 fire stations within a 5-mile radius of the project location. Archway is confident that Creekside Flats will be an important asset to the community and provide affordable housing for our most essential workers.

Proximity to existing tax credit developments: The PMA includes 29 tax credit communities with 2,373 income-qualified units. Of particular note, and notwithstanding strong demand, only .02% of current inventory within the PMA is at 80% AMI and the proposed project will provide 17% of total units at 80% AMI.

Project Readiness: Creekside Flats is ready to break ground and begin construction within the next 9-12 months. The permanent relocation of the previous tenants was completed in November 2023 and the asbestos abatement process was completed in June 2024, with demolition of the blighted buildings planned for the coming weeks. Archway has confirmed with Denver Community Planning and Development that the proposed development will be subject to administrative approvals only, with an estimated timeline of 9-12 months to permit readiness. Archway plans to close financing in Q2 of 2025.

Overall financial feasibility and viability: The proposed financing plan for Creekside Flats is viable and feasible. The City of Denver has funding available for this development and the Denver Housing Authority has indicated support in entering into an SLP. The operating budget for this project is based on comparable costs within Archway's portfolio and an appropriate debt ratio for the project NOI. Our team has analyzed and have concluded that State Credits are necessary to make this project financially feasible.

Experience and track record of the development and management team: Archway Communities is a mainstay in the Colorado affordable housing community and has been developing, managing and providing essential supportive services to affordable housing communities for over 25 years. Archway currently operates 1,024 units across 4 Colorado counties. The team on Creekside Flats also includes Leah Jones who will act in an Owner's Rep capacity and S.B. Clark, in a financial consulting capacity. Both Leah Jones and the team at S.B. Clark have deep experience in the affordable housing financing and construction space.

Project costs: To arrive at a realistic and cost effective design and construction costs, the Archway team has engaged Shopworks and Calcon to develop the plans and cost estimates for Creekside Flats. These costs reflect a thoughtful and collaborative design process, ensuring current market conditions and appropriate contingencies were taken into consideration. Archway is also putting the design package out to another contractor or two to validate pricing and overall approach on construction.

Site suitability: Creekside Flats is located in a highly sought out part of Metro Denver. 5375 W. 10th sits ideally located within a comfortable walking distance to the RTD Sheridan Station in addition to proximity to South Platte River trail. Both of these access points make Downtown Denver easily accessible by transit or bike. There are additionally many RTD bus options available, which provide frequent service to Creekside Flats (Attachment G). Families with children will benefit from the close proximity to nearby Denver Public Schools including Colwell Elementary, Lake Middle School and Denver Center for International Studies.

4. Describe any requests to waive underwriting criteria (if requesting)

N/A

5. Address any issues raised by the market analyst in the market study.

Creekside Flats has exceptional market data supporting the development plans, due to its TOD location, addition of 80% AMI units not currently being offered across the market, the consistent significant demand for affordable homes in the PMA, and the increasing gap between market rate rents and affordable rents that continue to widen. The analyst notes that the unit sizes are on average, smaller than some affordable comparables. Based on the average unit sizes for the comparable affordable properties referenced, Creekside's 1 bedroom units at an average SF of 529 are 98 SF less than the average of 627 SF, the 2 bedroom units at an average SF of 680 SF are 146 SF less than the average of 826 SF and the 3 bedroom units at an average SF of 1091 are 25 SF less than the average of 1116. It is also noted that the higher ratio of 3-bedroom units is an outlier. Based on the market data and our interaction with the community, we determined that it was important to maximize the density and livability of the site to meet the growing demand and need for affordable housing. We included a higher ratio of 3-bedroom units to provide TOD access to larger families to help address the needs of the community.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

The Phase I did not identify any REC, CREC or HRECs. The Phase I did identity the potential for OECs which include the potential for asbestos and lead based paint due to the age of the buildings. Asbestos was found to be present and a full asbestos abatement process has been completed in advance of demolition. A Phase II was conducted to complete a requirement for CDPHE's VCUP process to be able to qualify for Brownfields tax credit opportunities. No RECs were found in the Phase II and the VCUP application was completed and accepted successfully with no further action requested.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information).

Pre-development costs for this project are unusually high due to the need to permanently relocate existing residents into affordable homes that meet their needs in a URA compliant manner. Additionally, the cost of abating asbestos over an 8-month period in addition to demolishing these substandard buildings all contributed to the relatively high pre-development costs for this project. The Archway team has undertaken an intentional and iterative design process to ensure that we are maximizing efficiencies and providing a thoughtful, cost effective design that prioritizes high quality community spaces, density, site design and entitlement strategy to mitigate the grade of the site.

8. Describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support).

Community engagement is an essential part of Archway's development and operations processes. The Archway team has a responsibility as housing developers to ensure the communities we are building are positive contributors to the surrounding community and are tailored to meet the needs of the people within it (Attachment H). Archway's team applies a diversity, equity and inclusion lens to community engagement, especially when the community is at risk or is currently experiencing displacement due to gentrification. Community organizations the team has met with to date include West Denver Renaissance Collaborative, Servicios de la Raza, Lifespan Local, Denver Indian Center, and outreach will be ongoing. As needed and for all pop up and public meetings Archway has provided language interpretation, food, and childcare to ensure residents are meaningfully able to participate. Archway has received strong support from the community, in addition to support from CP Torres of District 3, in replacing the blighted buildings and turning this site into safe, secure and healthy housing for its residents. Attachment I contains community letters of support.

As Archway works to expand its presence and unique model of service-enriched affordable housing around Colorado, the organization has identified a priority to engage communities and stakeholders in the development process around new projects in a more thoughtful and strategic way. These essential voices will ensure diversity and inclusion when establishing new communities to ensure historically marginalized groups and residents are able to have input in their own communities. Overall, Archway feels this will avoid gentrification and avoid displacement of individuals and families that have been overlooked in the past. Archway is committed to incorporating feedback from neighbors, local businesses, residents, law enforcement, public officials and beyond. In early 2024 Archway was awarded a grant from the Colorado Health Foundation to increase community engagement, in particular for new communities. Thanks to this funding source, Archway will be increasing engagement around new communities, such as Creekside Flats. This will include connecting with community members via town halls, hosting community meetings, and meeting with local officials and stakeholders.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

The systemic impacts of wealth inequality have communities across the country in crisis. In Colorado, around half of renters are considered cost burdened-paying more than 30% of their income for housing. Archway is committed to advancing equitable communities through affordable housing. This is done throughout the development processes and supportive service delivery to the everyday actions of Archway's valued residents, hiring and training of the team and community partners. Before construction begins, a robust and responsive community engagement process is conducted, which has included meeting with City Council members, Neighborhood Organizations, and local service providers. As Creekside Flats leases up, we intend to work with local, trusted, and culturally diverse community navigators and financial counselors to help connect people with homes at Creekside Flats, going beyond the approach of a typical Affirmatively Furthering Fair Housing Plan.

Throughout operations, the Archway services team will regularly survey and interview residents and adjust the services program to meet the evolving needs of residents. This is standard operating procedure at all Archway Communities. Creekside Flats will promote economic mobility for residents first, by providing affordable rent and reducing the housing cost burden, allowing residents more flexibility within their budget to address financial priorities beyond housing. Because Archway knows affordable housing is not usually adequate to elevate residents' lives, the Creekside Flats services program will also address daily needs such as food access and childcare, while providing mental health support programs and financial counseling. Together, these services provide residents with opportunities for economic mobility and give access to the resources that all need to thrive.

10. For acquisition/rehab or rehab projects, provide a detailed narrative that describes the proposed rehab plans/scope of work, and relocation plan (if applicable);

This project is not a rehab, but will replace previously standing substandard affordable housing. The previous tenants have been relocated to safe and permanent housing through a robust URA-compliant process. The relocation plan is included in this application.

4% housing tax credit application narrative

Project Name: Evergreen Terrace Apartments
Project Address: 800 Grant Street, Denver, CO 80203

Executive Summary:
Evergreen Terrace Apartments (the "Project") is a proposed 7 story 76-unit senior affordable housing development located at the northeast corner of Grant Street & 8th Avenue in Denver's Capitol Hill neighborhood. The current use of the 0.57-acre site is a 6-story office building and a 3-story concrete parking structure. The office building will be demolished, and the garage will remain utilized by the future building.

The Project will be developed by Chelsea Investment Corporation ("CIC"), with Eaton Senior Communities, Inc. ("ESC") as a Special Limited Partner and service provider. CIC is an experienced, reputable developer and has developed nearly 150 affordable housing communities consisting of 15,000 units since it was founded in 1984. ESC has owned and operated affordable senior housing and supportive services provider for seniors in the greater Denver area since 1980. In working with Evergreen Terrace, ESC will coordinate community resources onsite for residents to experience health and wellness programming that is convenient and affordable. Services such as primary care, physical/occupational therapy, educational classes, exercise classes, wellness clinics, and various social activities.

The Project will be utilizing the Income Averaging program, so the unit affordability will be restricted to senior households earning at or below 30%, 40%, 50%, 60%, and 80% of the AMI. The unit mix will be 65 one-bedroom units and 11 two-bedroom units, including one two-bedroom unit reserved for the building manager, for a total of 76 units. The one and two bedrooms are approximately 570 square feet and 780 square feet respectively.

The Project will be financed with tax-exempt and taxable construction loans and permanent loans, federal low-income housing tax credit equity, State of Colorado Affordable Housing tax credit equity, private placement junior bonds, deferred developer fee, and additional local soft loan sources. Denver Department of Housing Stability (HOST) has provided a letter of support for the Project and the development team will be submitting an application for a HOST soft loan commitment in the coming months. Per HOST, HOST can provide up to $3,300,000. Currently, the project has a total soft loan sources gap of $5.87 M. When factoring in the likely $3.3 M HOST commitment, this leaves a remaining $2.57 M gap. The development team is actively pursuing soft loan sources in addition to the HOST commitment such as Proposition 123 and CHFA Housing Opportunity Fund (HOF). Given this, the Development Team is confident the Project will be fully financed by Summer 2025. Summer 2025 will be well ahead of the 18-month CHFA State Housing Tax Credit Milestone from the time of Preliminary Reservation Letter if the Project is awarded in Fall 2024.

In recognition of CHFA's Guiding Principles, Denver's Green Building Ordinance, and the State of Colorado's renewable energy goals, the Project will be an all-electric development. The building will elect to pursue the Enterprise Green Building certification program as noted in the Energy Efficiency and Sustainability Election Form.

The residential building will be 7-stories in a 'podium' configuration with 5-stories of Type III-A wood construction above 2-stories of Type I-A concrete construction. The exterior design language of the residential development pulls from the materiality and detailing of surrounding historic structures in the Capitol Hill neighborhood. Primary materials include masonry brick, precast banding and base, and stucco. A limited amount of metal panel, storefront, and scaling elements such as canopies will be used on the ground floor street-facing elevations. Vinyl windows will be used at dwelling units with a minimum of one operable window per room. Urban Design guidelines require the use of not less than 70% masonry materials (exclusive of window & door openings) on exterior wall surfaces. The stucco materials used will be subject to detailed review. Most dwelling units will have a private recessed balcony with metal guardrail that will function as exterior articulation and scaling elements to help meet standards of Urban Design.

The units will have the following amenities: stove, oven, vent hood, refrigerator, dishwasher, in-sink disposal, AC/HVAC system, in-unit washer/dryer, modular cabinets, water-efficient plumbing fixtures, solid surface countertops, vinyl plank flooring, and vertical blinds. The community amenities will consist of a ground-level lobby/leasing area, community room, bike storage room, and outdoor courtyard. The community room will be on the ground floor, and will consist of a gathering space with tables, chairs, and couches as well as restrooms and a kitchen. The community room will be designed to accommodate events, classes, and general socialization among the Project's residents. There will also be two elevators within the building.

The existing 3-level parking garage will remain and will be utilized by the residents at no additional cost. The garage will be restriped by CIC during the construction of the apartment building. In total, there will be 82 spaces in the garage. Of these 82 spaces, 20 spaces will be in a tandem condition. In other words, there will be ten pairs of two stacked parking spaces. These ten tandem spaces will be assigned to the ten two-bedroom units. The one two-bedroom unit that will not be assigned a tandem parking space will be the unit reserved for the on-site building manager. The remaining 62 spaces that are not in a tandem condition will be provided on a first-come, first-served basis for residents and guests through a permanent and temporary parking permit system managed by the on-site property manager.

CIC is committed to the success of Evergreen Terrace Apartments and will continue to advance the design in the coming months so that if awarded tax credits, the Project will be ready to financially close in Summer 2025 and have construction commence immediately after. At this time, an 18-month construction schedule is anticipated so a financial closing in Summer 2025 would result in a completed development and seniors moving into their new home by Early 2027.

Narrative Prompts:

1. Bond Financing Structure:
   The bonds for this Project will be issued by CHFA and will be privately placed with the construction and permanent lender, California Bank & Trust. There will be an estimated $22.2 M in tax-exempt bonds and $7.528 M in taxable bonds issued for the Project during construction. At conversion, $10.34 M of the construction tax-exempt bond amount will be converted to a permanent loan with California Bank & Trust.

2. Properties in Section 2 of the QAP:
   Not Applicable

3. Criteria for Approval in Section 2 of the QAP:

   Market Conditions: The Market Study analyst, Vogt Strategic Insights ("VSI"), determined the following: "Overall, given the very high to full occupancy at all affordable comparable units and the market, and lengthy waiting lists at several properties, we believe significant pent-up market demand exists for additional affordable rental housing for seniors. The capture rates indicate ample demographic support exists in the Denver Site PMA." (See VSI's complete Market Study at Document #19.)

Proximity to Existing Housing Tax Credit Projects: VSI surveyed 13 senior-restricted properties within the Denver Site PMA that have been developed or renovated under the Low-Income Housing Tax Credit (LIHTC program). Of these 13, six properties were noted as comparable tax credit projects in the Project's PMA. VSI stated the following: "Five of the six comparable Tax Credit projects are 100.0% occupied and maintain waiting lists or periods. This indicates these projects could increase their rents while maintaining high occupancy rates. Considering these factors, the subject rents will be considered a value in the market."

Project Readiness: The Project is on-track to achieve financial closing within 12 months of tax credit award, if not sooner, since the site is already properly zoned for its intended use. The site is located within a DDA and is zoned as C-MX-8, or Urban Center-Mixed Use-8 Stories. The proposed density is 133.15 DU/AC. The Denver Zoning Code does not have a DU/AC limitation in the C-MX-8 zone district.

Overall Financial Feasibility and Viability: Chelsea Investment Corporation ("CIC") has commitment letters from California Bank & Trust ("CB&T") as the lender and The Richman Group ("TRG") as the tax credit investor. Additionally, the Project has a letter of interest to provide a soft loan from the Denver Department of Housing Stability (HOST). The Project will be pursuing additional soft loan sources, such as Proposition 123 and CHFA Housing Opportunity Fund (HOF). The current soft source gap is $5.87 M. Letters of Interest from Lender and Investor are included in Document #5 and #6, respectively. CB&T will be providing a total construction loan of approximately $29.73 M and a permanent loan of approximately $10.34 M. TRG will be providing approximately $16.68 M in equity for federal tax credits and approximately $6.91 M in equity for state tax credits.

Experience and Track Record of the Development and Management Team: CIC has developed nearly 150 affordable housing developments in California, New Mexico, and Arizona in its 40-year history. Many of these developments are actively managed by Conam Management Corporation ("CMC"). CMC manages over 400 properties in 26 different metropolitan areas, including Denver.

Project Costs: CIC has engaged KTGY as the architecture firm and Deneuve Construction as the general contract, both of which are well-respected in the Denver community for executing efficient and cost-effective buildings. Additionally, CIC will be enlisting Emmerson Construction, Inc. ("ECI") as the construction manager on the Project. ECI is an affiliate of CIC and will further ensure construction costs are controlled and closely monitored.

Site Suitability: The site is conveniently located near medical care, bus stops, grocery store, and outdoor recreation areas. Denver Health Adult Urgent Care is located 0.5-miles away. Denver RTD bus stop for Route 6 is located at 8th Avenue & Logan Street, which is 0.02-miles from the site. Bus stops for Routes 0 and 52 are also located within 0.5-miles from the site as well. A King Soopers is located 0.6-miles away from the site. Trader Joe's grocery store is 0.2-miles away from the site. The site is also 0.2-miles from Governors Park, a quiet outdoor green space. Per Vogt Strategic Insights' ("VSI") Walk Score findings, the site has an average score of 82 out of 100 across the three categories of Walk Score, Transit Score, and Bike Score. This score of 82 far exceeds the Denver average score of 59.

4. Underwriting Criteria Waiver Requests:
   A Cost Basis Limit Waiver/Override request was made by CIC and approved by Meghen Brown, a Senior Tax Credit Officer at CHFA. Meghen then provided an updated Excel application for the Project team to utilize for its Preliminary Application submittal on 8/1/24.

5. Issues Raised by the Market Analyst:
   The Market Study analyst, Vogt Strategic Insights ("VSI"), noted that the Project's proposed maximum allowable rents will be among the highest in the region for LIHTC properties. However, they noted the 100% occupancy and long waitlists at nearby comparable properties indicate the proposed rents will be considered a value in the market and will be achievable.

6. Issues Raised in the Environmental Report:
   The Phase I Environmental Site Assessment conducted by CTL Thompson did not find evidence of a recognized environmental condition in connection with the site.

7. Unusual Features Driving Costs Upward, and Opportunities to Realize Cost Containment:
   Due to the Project's location in Capitol Hill, the building is subject to the Urban Design Standards and Guidelines ("Design Guidelines") for Capitol Hill/Uptown. An unusual feature of the Design Guidelines is the requirement to use a minimum of 70% masonry materials on exterior walls. This requirement results in higher costs than typical affordable developments in comparison to stucco-clad buildings, which is usually the most cost-effective method to clad an affordable development while still maintaining an appealing façade. Additionally, the site has an existing 6-story office building that will be demolished in order to build the proposed affordable apartment building. The demolition is estimated to cost approximately $273,000 and results in a longer construction schedule which incurs additional construction loan interest payments. This required demolition is a second notable unusual feature that is driving costs upward. As mentioned previously, CIC will rely upon the tremendous experience of KTGY, Deneuve, and ECI to collectively work together to realize cost containment.

8. Community Outreach and Any Local Opposition and/or Support:
   Councilwoman Flor Alvidrez of District 7 has provided public support of the Project noting that it will provide much-needed affordable housing for senior citizens in the Capitol Hill neighborhood. Councilwoman Alvidrez's letter of support is included in Document #37. Additionally, a Public Hearing notice for the Project was provided in the Denver Post on July 22, 2024. The notice provided information for the Public Hearing that would take place on July 29, 2024, via a virtual meeting on Zoom. There were no comments or questions from the public during the presentation.

9. How the Proposed Development Contributes to Promoting Equity as well as Economic Mobility for Residents:
   Evergreen Terrace Apartments (the "Project") will provide quality safe and affordable housing to the senior population of Denver, CO. Targeting incomes between 30-80% AMI, the Project will lessen the financial burden of securing housing for seniors. Resident services will be provided free of charge on site in a welcoming and inclusive environment designed to enrich the lives of all tenants. The site benefits from superior walkability, transit, and bike scores to comparable projects in the area. The Project will be an attractive destination to seniors who maintain an active lifestyle and will benefit from the close proximity to walking trails, parks, shopping, and medical facilities.

4% housing tax credit application narrative

Project Name: Geode Flats

Project Address: 614 Raptor Rd. Fruita, CO 81521

Executive Summary:
TWG Development ("TWG"), in conjunction with Fruita Housing Authority, is excited for this opportunity to present an application to CHFA for 4% + State Low Income Housing Tax Credits ("LIHTC") for Geode Flats (the "Project"). This new construction multifamily development will provide the following mix:

AMI	1BR	2BR	3BR	Total	% of Total
30%	5	1	1	7	10.3%
50%	17	1	1	19	27.9%
60%	12	8	2	22	32.4%
80%	3	9	8	20	29.4%
Total	37	19	12	68	100.0%
% of Total	54.4%	27.9%	17.6%	100.0%	

Unit amenities include central A/C and heating, Energy Star Appliances, and in unit washer/dryers. Onsite amenities include a community room with library, picnic area, playground, and on-site management. Geode Flats will provide much needed affordable rental housing opportunities for individuals and families in Fruita.

Locational amenities within 0.5 miles include a bus stop that is a 4 minute walk from the project, state parks, a dog park, bank, post office, a city market, and easy access to major thoroughfares and highways. Schools are located within one mile of the site including Shelledy Elementary School, Fruita Middle School, and Fruita High School. Adjacent to the site is an exciting local initiative to redevelop and improve a lagoon that will maintain bodies of water for recreation and activities. Important to note about this region is a significant Hispanic population, nearly 15% and more than one-third of this population speaks Spanish.

The development team's vision is to provide basic needs services, foodbank services, financial literacy classes and one-on-ones, referrals to childcare, and more in a culturally responsive manner based on the changing needs of residents over time. We will partner with multiple organizations to serve the changing needs of residents over time. Services and connections details are explained within the Supporting

Documentation, Services file.

Geode Flats will be two buildings at three-stories each with a leasing center/community room, playground, and surface detention pond. Gross building square footage is approximately 64,000. The building will meet the team's goals of being cost-effective to build and manage, visually appealing, and compatible with the surrounding neighborhood. The foundation design is slab on grade with on-site surface parking. An acoustical mat with gypcrete will minimize sound transfer between the units. The building skin will be brick masonry combined with fiber cement lap siding. All exterior walls will utilize batt insulation with a weather barrier. The roof will have sloped asphalt shingles. The project will meet at least the bronze certification under the NGBS program which will include EV-ready spaces.

Geode Flats is in census tract 15.04, which is not in a 2024 QCT or DDA. Financing for the Project will include federal tax credit equity generated from the sale of 4% LIHTC credits, State LIHTCs, solar tax credits, permanent financing, GP and Seller Land Carry Notes, City fee waivers, and deferred developer fee. Total soft financing is expected to be over $3,445,000, representing approximately $51,000 per unit.

1. Describe the bond financing structure and include the following:
    - $13,050,000 in PAB paid down to $6,500,000 in long-term PAB
    - CHFA will be the bond issuer and volume cap provider
    - Forward Construction to Perm structure with a private placement with a single lender
    - There will be a conventional second during the construction period

Priorities from the QAP:
Projects in non-metro counties with populations of less than 180,000. Mesa County has a population of less than 160,000

Project Criteria for Approval:

- *Market conditions:* The Property is situated in Fruita, Mesa County. The average vacancy rate of the stabilized comparables is 1.9%. Five of the LIHTC comparables are managed by the Grand Junction Housing Authority, and all of the vacancies at these properties are pre-leased or have applications pending, with an extensive waiting list of 1,740 that was recently purged. The stabilized market rate properties reported vacancy rates of 0.0% to 5.3% and there is only one vacant unit at the two comparables located in Fruita. Relative to the market rate comparables, the Subject's rents offer a rent advantage ranging from 14 to 72 percent over the surveyed market averages. According to the market analyst, many renters in the PMA are likely rent-overburdened. Existing capture rates are 0.0% and required capture rates are 7.9%.

- *Proximity to existing tax credit developments:* The closest tax credit development is 2.8 miles away located in North East of the proposed development. Fruita Mews was awarded 2022 9% Low-income Housing Tax Credits through the Colorado Housing and Finance Authority.

- *Project readiness:* The site is zoned for the intended use evidenced by a zoning letter included within the application. Review of the final building plan review is administrative and does not require a public process. The building plan approval would be about 2-3 months after submission. On March 26th, 2024 City Council met and approved a Planned Unit Development (PUD) Guide allowing for increased density on the proposed site. Once the site plan is submitted to City, there is a 45-55-day administrative approval process. The building permit application can be done concurrently and is expected to be issued within three months of the tax credit application.

  The Phase 1 Environmental Assessment indicated that no Recognized Environmental Conditions were discovered. The Project is supported by the City Manager, Planning Department, service providers, neighbors, and many local businesses. Schematic drawings have been priced by a paid third party and the proposed building is financially viable to construct based on current assumptions; and financing and funding commitments from the sources identified in this application would be secured with award of the 4% LIHTC commitment.
- *Overall financial feasibility and viability:* The Project is financially feasible if awarded an allocation of 4% + State LIHTC along with the local tap and impact fee waivers. In addition to the federal equity from CREA, TWG is assuming construction to permanent financing from Merchants Capital, GP and Seller Land Carry Notes, and deferred developer fee. TWG, equity syndicators, lenders, and our financial consultants, RCH Jones Consulting and KDM Consultants, have run the current project assumptions through their tax credit financial models. This extensive up-front conservative underwriting has shown that as proposed, there are minimal risk points. Under current assumptions, the project maintains an estimated debt coverage ratio between 1.16 and 1.37 through the initial compliance period using standard escalation and vacancy assumptions. Currently, deferred developer fee is expected to be paid in full by the end of year 15. TWG will provide the guarantees. TWG's approach to internal collaboration between design, construction, and management maximizes operating efficiencies without compromising resident comfort, ongoing compliance, or building durability and maintenance. This approach has been proven by two recent tax credit development completions and lease-up with another underway within the last two years.
- *Experience and track record of the development and management team:* The Partnership between TWG and Fruita Housing Authority will tie into the strengths of both organizations. Fruita Housing Authority was formed in 2023 with a mission to make the community on the western slope a better place by providing housing services to those in need. They accomplish their mission through our core values of altruism, integrity, quality, trust, and fiscal responsibility with the mission to build and maintain affordable and safe living facilities for qualified residents with an emphasis on respect, dignity, and cooperation. *TWG's partnership is meant to assist Fruita Housing Authority's mission and expand their experience in the tax credit development world.* TWG specializes in multi-family housing development, construction, and management. Currently, TWG has developed over 11,000 units across multiple cities and states ranging from affordable developments to market rate sites. To date, TWG has developed over 120 properties with over $2.5 billion in total development costs. TWG has active

developments in Indiana, Colorado, Pennsylvania, Michigan, Illinois, Missouri, Ohio, Georgia, Washington, Iowa, Utah, Oklahoma, Alabama, Arizona, Tennessee, Louisiana, South Carolina, North Carolina, Kansas, and Wisconsin. TWG Construction has served as the general contractor for the majority of TWG's projects, and TWG Management has a proven maintenance and compliance track record. All of TWG's completed LIHTC projects in Colorado are fully converted, with two additional properties currently under construction and closing respectively.

To help facilitate this Project, the team has engaged RCH Jones Consulting, a Colorado based consultant, and KDM Consultants who will provide strategic direction and financial advisory services to the project. RCH and KDM have over 40 combined years of experience in the affordable housing industry having managed the development of various affordable housing communities across the US, particularly in Colorado.

- *Project costs:* The Project costs have been reviewed and verified by a third party. TWG's in-house design process is rigorous and collaborative with local input. The goal from the outset is to design and build a project that is high quality and cost effective and one that fits in with the surrounding community. TWG will also use their proven processes to effectively select sub-contractors and fully vet details during the bidding process. Our pre-construction team is deeply involved from the beginning of a project to ensure projects are completed on time and on budget. We are also able to leverage national purchasing contracts for materials which in turn creates a more cost-effective project.
- *Site suitability:* The site is suitable for the intended use for the following reasons:
    - The site is located in a developed residential area and is close to downtown Fruita. The site is already served by utilities and is zoned for our proposed use and building design.
    - The vacant site has no known environmental hazards or Recognized Environmental Conditions and no known wetlands or other physical attributes they may compromise or inhibit development.
    - City members and local groups have all expressed that the location next to trails and open space will be ideal for robust individuals and families for this new affordable community.

Justification for Waiver of any Underwriting Criteria, Waivers, Cost Basis, and/or CHFA Discretionary Boost:

We have included the request for a discretionary boost for AHTC credits to the $1,800,000. The main reason for this request is the absence of a QCT or DDA for this site.

Issues Raised by the Market Analyst in the Market Study:

Not applicable at this time.

Issues Raised in the Environmental Report:

According to the environmental report for the site, there are no REC's indicated and no additional investigation is warranted.

Unusual Features Driving Costs and Opportunities for Containment:

The remote location of Fruita has previously been seen as a challenge for sourcing materials; but with multiple experienced local GC connections, TWG plans to leverage and utilize local materials and labor to not only support the regional economy but also mitigate transportation costs and reduce the project's carbon footprint. There are also some relatively minor off-street improvements that will be mitigated though city process. TWG has also proven to keep costs relatively low in their existing Colorado projects mostly through their national relationships, vertical integration, and communication with local subs and trades.

Community Outreach

During the Planned Unit Development (PUD) process there were many opportunities to aid in community awareness and participation in the development process with the City of Fruita in order to get site readiness as far along as possible. We have listened to the communities needs for affordable housing and done outreach in the community. The project has been well received and we have much support from a variety of local service providers and community leaders.

Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

As mentioned in the services narrative, there has been a significant impact to the Hispanic population in the area over the last three years and for low-income families and individuals in Fruita being priced out of the apartment and home ownership markets. By partnering with Housing Resources, the project will promote equity and economic mobility by first ensuring residents have safe, secure, reliable housing, basic needs assistance, referrals to specialty services, financial literacy for both renters and for those interested in home ownership.

Supplemental Information:

In conclusion, while developing an affordable project in Fruita, Colorado, presents challenges due to its unique geographical and climatic characteristics, proactive cost containment strategies and sustainable development practices can pave the way for a successful and economically viable endeavor. By embracing innovation and community collaboration, developers can navigate these unusual features to create a harmonious blend of affordability, environmental responsibility, and enduring value for generations to come.

4% housing credit application narrative

Glenwood Gardens

Project Name: Glenwood Garden
Project Address: 51993 Highway 6, Glenwood Springs, CO 81601

In response to the workforce's immediate need and housing shortage in Glenwood Springs, Cohen-Esrey presents Glenwood Gardens: 80 family homes in partnership with Garfield County Housing Authority (GCHA) and City of Glenwood Springs. This cutting-edge, all-electric community is supported by 8 vouchers along with unanimous Council approval of City Prop 2C funding. It will further the local goals of sustainability and deep affordability, offering the only 20% and 80% AMI units in Garfield County.

This remarkable project draws on Glenwood's renewable energy initiatives and exemplifies a Colorado Mountain community in 2024:

- ✓ All-Electric
- ✓ Energy Star-certified
- ✓ Solar array generating <u>80% of electric baseload</u>
- ✓ Greenhouse Gas Reduction Fund eligibility
- ✓ Electrical utility opex savings of $40,000/year
- ✓ Transit-Oriented Development (RFTA bus stop)

The project boasts amenity spaces such as fitness center, clubhouse, playground, dog wash, dog park, outdoor amphitheater, trash chutes and rooftop deck with panoramic Glenwood views. All units are served by elevators, opening the community for older adults. There are 138 parking spaces and a large (30 -85 SF) storage unit attached to every unit. The design evokes modern mountain style, with a nod to Scandinavian minimalism. Building foundations assume 2-4' over-excavation with 5" slab on grade and spread footings. The structure is wood-framed, with panelized walls and parallel chord trusses. There are 45% pitched roofs with asphalt shingles and 55% flat roof with TPO. Facades were designed to meet building code while responding to the aesthetic preferences in the City's 2023 Comprehensive Plan (Sec 4.2 & 4.5). Elevations are 75% cementitious panel, 15% metal panel and 10% stone. This distribution delivers cost efficiency, and a beautiful design.

In response to CHFA feedback, Glenwood Gardens is being submitted for this round with more exact financing sources (assuming no funding from Department of Local Affairs) due to strengthened local partnerships, leveraging sustainability and electrification as a funding strategy. We have also right-sized the project design. Zoning will be as-of-right to allow the project to achieve a 28-week entitlements timeline with no variance requests to City Council.. Importantly, the new configuration preserves all aspects that CHFA viewed positively in feedback that was given.

Deep affordability was our guiding value as we shaped our unit mix, with City input and proactive market study intel. 50% of 80 units are at or below 50% AMI. There are 8 vouchers supporting 20%, and 30% AMI units; in addition to unsubsidized 30% and 40% units. 69% of units have two or three bedrooms. The 60% AMI income level and one-bedroom units were minimized based on existing supply analysis and community input. By serving the greatest need, we target the greatest demand.

Community partnerships underscore our strategy to deliver this important project in a Difficult Development Area (DDA). Cohen-Esrey has worked since October 2022 to unlock this site's potential, as the City has approved local Prop 2C funds and opted into Prop 123. Garfield County Housing Authority has identified 8 vouchers and offered Special Limited Partnership. Colorado Clean Energy Fund (CCEF) has indicated funding support for a soft loan. Garfield County has indicated support and delegation of its full 2024 Private Activity Bond allocation. Cohen-Esrey is working with West Mountain Regional Health Alliance to benefit residents (see Attachment A) and supported by a line item in the operating budget. The project is supported by additional partners evidenced by the letters of support in Attachment B.

Glenwood Gardens is a quarter mile east of the Elks Lodge transit stop for the Ride Glenwood Springs bus route. The bus runs on 30-minute intervals, 7 days a week and directly connects residents to the Glenwood Meadows Shopping Center, Valley View Hospital, Glenwood Springs High School and other recreation and job centers.

1. Describe the bond financing structure and include the following:
   The bonds will be privately placed direct purchase bonds issued through CHFA as the conduit and sized at 55% of aggregate basis. There will be $25.1 million in tax exempt construction private activity bonds paid down to $9.9 million for the permanent period. We anticipate a taxable loan of $7.1 million during construction. The financial stack includes subordinate loans from Impact Development Fund and the Colorado Clean Energy Fund. Glenwood Springs approved $1.57 million in local Prop 2C funds for the project.

2. Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP):
   Glenwood Gardens is in Garfield County and meets priority 2A of the QAP: Projects in non-metro counties with a population of 180,000 or fewer and have met requirement 5.B.3.b. Garfield County has a population of 61,685 according to the 2020 Census.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

Market conditions: The market study notes that pent up demand exists throughout the Roaring Fork Valley, beyond what the market study is able to demonstrate. There are no vacant affordable units in the PMA. It is very likely that households that are unable to find affordable housing simply leave the region, starving it of workforce labor and family households.

- ✓ Overall capture rate of 12.2% using CHFA methodology, and 3.1% using NCHMA methodology.
- ✓ Zero vacant units among LIHTC or subsidized properties, and all maintain lengthy waitlists.
- ✓ The market study indicated a 5/5 marketability rating based on location, design, and amenities.

The shortage of housing throughout the Roaring Fork Valley is more dire than the market study can capture as it would require a significant leakage factor to capture demand outside the immediate PMA, as well as households who have had to leave the PMA due to housing unaffordability or instability.

Proximity to existing tax credit developments: Glenwood Springs has a total of three tax credit properties and two fully-subsidized properties. Machebeuf Apartments (LIHTC) is about a mile to the west and fully occupied. The others include Glenwood Green Apartments (LIHTC) in West Glenwood, and Glenwood Manor (LIHTC/Sub), Manor II Apartments (Sub), and Sunnyside Apartments (Sub) in central Glenwood. None have vacancies; 4/5 have lengthy wait lists. The Benedict LIHTC project was awarded 9% credits in 2023 and will serve senior households.

Project readiness: Cohen-Esrey has worked on this project since October 2022. Since then, we have completed the grading plan and Schematic Design (SD) set, significant geotechnical investigation with CTL Thompson, and received a will-serve letter for City water. SGM will conduct the Part 58 Environmental Assessment (EA), if triggered by HUD Voucher requirements. This work will enable the project to receive an AUGF in 1Q25.

Upon award, our longest lead item to closing is building permits. The City of Glenwood has quoted us 9-10 months for this process. Glenwood Gardens will be ready to break ground in summer 2025.

We have kept the City of Glenwood Springs Community and Economic Development division in close consultation throughout the pre-development process. They are regularly updated on any changes to the project and based on extensive conversations, we anticipate strong support for our project as we go through the remaining entitlement process. The City of Glenwood Springs had a development moratorium that is ending imminently (see Attachment C), and we have committed to deliver this project without any variance requests to simplify the entitlement process for this site with by-right zoning.

Overall financial feasibility and viability: As contemplated, the Project is financially feasible if awarded. Cohen-Esrey received multiple equity & debt proposals, which combined with all of our recent closings, gives a firm grasp of current credit pricing, and equity/debt terms. We have received exceptional & concrete terms reflecting actual offers by prospective funders, looking ahead to 2025. In addition to 4% and State credits, CREA has provided terms for Solar and 45L Credits.

Experience and track record of the development and management team: Cohen-Esrey brings more than 50 years of experience in affordable and market rate multifamily housing and has owned and managed more than 68,000 units in over 550 properties. Consistent with our corporate model, Cohen-Esrey will self-manage this property through Cohen-Esrey Communities LLC (“CEC”) who will bring strong expertise and capacity.

CEC will manage a growing portfolio of at least four new properties (611 units) under development in the Mountain West region, including Trails at Lehow in Englewood (4%), Panorama Heights in Colorado Springs (4%), The Launchpad in Colorado Springs (9% PSH) and Desert River in Glendale, AZ (4% with state credits). CEC will hire local property management staff and contract any services needed to successfully lease and certify residents. Onsite property staff will complete CHFA’s Colorado-based income averaging training prior to marketing and pre-leasing activities.

Cohen-Esrey has developed a reliable roster of Colorado partners, including KTGY Architects and Haselden Construction. Both are very experienced with development in the Mountains and KTGY is particularly experienced with LIHTC. Our civil engineer is Glenwood-based SGM, Group 14 is the sustainability consultant, Land Studio is the local planning consultant, CTL Thompson is the local geotechnical engineer. S.B. Clark Companies is supplementing Cohen-Esrey's financial modeling with their in-depth knowledge of the Colorado market. Please see Development Team Resumes for more information.

Cohen-Esrey utilizes its scale to diversify its experience and portfolio, selectively pursuing horizontal integration (where beneficial), and leveraging our significant pipeline to exercise construction buying power. Despite being a large, high-capacity developer, we refuse to develop carbon copies of past successes. We believe that is evident from the remarkably unique and well-designed projects we have brought to Colorado. Our goal is to deliver uniquely ideal built environment outcomes for each site that we identify – the perfect project for each community.

Project costs: Cohen-Esrey has conducted an extensive costing exercise, vetting costs with two different general contractors. While we will continue to give two GCs (Haselden and CFC) bidding opportunities, we are moving forward with Glenwood-based Haselden, who has extensive experience in the Mountains, strong sub-contractor relationships, and impressive multifamily and Federally-funded construction project experience. Haselden is keen to collaborate with us on this legacy project in their own community, and provided great detail on current construction pricing. In addition, we are holding an allowance for approximately 5% construction cost owner contingency and 2% of contractor contingency.

Cohen-Esrey, KTGY and Haselden have worked iteratively to deliver the most efficient possible project. We implemented modular building footprints, switched costly soil-nail retaining walls to a less costly gravity stack design, incorporated efficient VTAC's ducted through truss cavities, and streamlined floorplans to just seven unit types. These are just four examples of cost containment strategies. Since the last application, Cohen-Esrey has been able to secure water rights which eliminate the tap and water fees from the budget; savings of over $500,000.

Site suitability: The market study emphatically confirmed the suitability of Glenwood Gardens as a site for family housing. As evidenced by the high-end market-rate property 50 feet to the east, Glenwood Gardens enjoys a prime location for any multifamily development. The site is beautiful and scenic, and homes regularly sell for over $1 million across Donegan Road to the north. The Glenwood Springs Golf Club is a mile north, and Glenwood Springs Middle School is a mile to the west. There are two RFTA bus stops within 350 and 1,000 feet. The site is proximate to West Glenwood shopping malls and restaurants.

4. Describe any requests to waive underwriting criteria (if requesting).

We have requested an override of the cost basis method for calculating tax credit basis (Attachment D) and a debt service coverage ratio waiver (Attachment E) to more accurately account for the 10-year deferred payment on the Impact Development Fund subordinate loan.

5. Address any issues raised by the market analyst in the market study.

No significant issues were raised in the market study, which indicated a 5 out of 5 marketability rating.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

The Phase 1 ESA identified zero known or suspected Recognized Environmental Conditions. We are moving ahead with the Part 58 Environmental Assessment due to project-based voucher requirements that may be triggered if successfully awarded.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment.

Glenwood Gardens is a costly project due to its location along the I-70 Mountain Corridor, sustainability goals, and local planning and design requirements. Cohen-Esrey has worked tirelessly to assemble the sources and partners necessary to fund the project, and as a result, this project is viable and ready to proceed. The 13% even slope of the site is likely the largest contributing factor to high costs, followed by remarkably strict local planning and design requirements, both of which likely apply to any project in this community. Glenwood Springs is one of the largest communities in the Colorado Rockies, and serves as a hub for the Roaring Fork Valley, making it a critical community to serve with affordable housing. See additional cost drivers outlined in Attachment [___cost basis waiver] referenced above.

8. Describe the outreach to the community that you have done and describe local opposition and/ or support for the project (including financial support).

Glenwood Gardens was planned around local partnership from the very beginning. The City of Glenwood Springs has been key to the planning process from the start, and they are regularly updated on any changes to the project. Both the City and local Housing Authority have contributed input on our unit mix, and committed significant resources for this project. Garfield County is extremely supportive of affordable housing and has delegated its full 2024 PAB allocation to this project. All three potential public partners - the City, County, and Housing Authority - have provided letters of support for our application. It is worth noting that due to the City's ardent support and ongoing partnership, their letter was co-signed by the City Manager and Mayor.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

Glenwood Gardens is a legacy development designed to instill pride and establish a long-standing community of local residents who would otherwise be displaced. Cohen-Esrey and the local community have assembled the right resources for a project that addresses the most underserved needs in the Roaring Fork Valley: very-low income targeting, on-site social services, environmentally-sensitive design, family-sized units, and workforce housing.

Glenwood Gardens maximizes green and equitable outcomes, and leverages those strengths for operational savings and long-term resilience. This project will prove additive for the surrounding Glenwood Springs community, by operating with very low vacancy due to the targeted needs and severely constrained housing market in the Roaring Fork Valley. It is very likely that Glenwood Gardens will grow into one of the most important developments in Glenwood Springs, and the entire Cohen-Esrey portfolio of community assets.

4% housing credit application narrative

Project Name: The Grove in Bloom

Project Address: North & West of E. Mulberry St. & Greenfield Ct., SE of southern terminus of Delozier Rd.

EXECUTIVE SUMMARY

The Grove in Bloom is a proposed 264-unit multifamily development for families within the developing Bloom master plan community, consisting of (84) 1-Bedroom, (132) 2-Bedroom and (48) 3-Bedroom units within (11) 3-story 24-unit buildings. Each unit will have a patio/porch, walk-in closets and storage. The buildings will be lumber over a concrete foundation with pitched asphalt shingle roofs with solar panels and exteriors made of fiber cement board and masonry.

The proposed development will have the following unit mix, 14 units at 30% AMI; 15 units at 40% AMI; 42 units at 50% AMI; 136 units at 60% AMI; 48 units at 70% AMI; 9 units at 80% AMI. In the previous application for this development, we offered 15% of the units at 30% AMI along with only 50%-70% AMI units. Based upon feedback we received, 15% of the units at 30% AMI would be a high number of 30% units due to the size of this development. Additionally, having more income ranges available is more desirable in providing a mixed income community and offering opportunities to more income levels.

This being part of the master planned development, the density allowed was determined by general areas and this is the maximum density we were allowed for this site. This site currently has a bus stop approximately .3-.5 miles away, supporting documentation is provided herein. With (48) 3-Bedroom units, this development provides substantial housing to households with children. This development will be providing the *only* 30% AMI 3-Bedroom units in the PMA, filling a missing gap.

This development will have a clubhouse with a community room, kitchenette, laundry facilities and fitness center and have full-time on-site property maintenance and management staff. Outdoor site amenities will include a picnic pavilion with charcoal grills, a playground and “tot lot”, swimming pool, dog park and an open play area.

In contributing to Colorado meeting its 100 percent Renewable Energy goals, The Grove in Bloom will be all electric and incorporate solar panels into the building design. The solar panel design we have planned is estimated to provide an annual production of at least 600 kilowatts of electricity. In our previous application we were proposing 1,485 kW of solar power. We have reduced the solar power design to reduce our construction costs, while still providing a substantial amount of green energy.

The Grove in Bloom will provide substantial supportive services to lift up its residents. These services for all residents include:

- Financial literacy class quarterly, hosted by Serve 6.8.
- Health Screenings, which include cholesterol, blood pressure and glucose testing with an explanation of results and recommendations by the Health District of Northern Colorado.
- On-site transportation. The Grove in Bloom will provide transportation service to residents. See supplemental documents regarding this service.
- After school tutoring. NOCO Tutoring & Enrichment will provide two (1) hour sessions two times per week. Each session can have up to 10 children, which will allow up to 40 children per week to have 1 hour of after-school tutoring.

Additionally, for 30% AMI residents, the applicant will pay the membership fee for each listed resident and minor children to the Starlight Health Direct Primary Care services. These residents will have direct access to a primary care doctor (virtually, at Starlight's office or at times on site). These visits are unlimited and at no cost to the residents. This provides free access to a doctor for those most in need.

1. Describe the bond financing structure.

The Applicant is pursuing a low-rate long-term HUD 221(d)(4) first mortgage. This mortgage along with our investor limited partner's equity, Renewable Energy Tax Credits and 45L proceeds provide the financing for this development. The Applicant is requesting that CHFA be the issuer and volume cap provider. The Applicant is requesting $64,992,920 in volume cap which represents 55% of the aggregate basis. Pedcor plans to use the same financial structure implemented on all our other Colorado LIHTC developments to date, which would pair these tax-exempt bonds dollar for dollar with the 221(d)(4) GNMA security that is issued by HUD. These bonds would be tax-exempt and make use of the tax-exempt nature of PABs for the long term, rather than only using them to satisfy the 50% test and will be privately placed. In this case the amount of tax-exempt bonds needed to satisfy the 50% test will exceed the 221(d)(4) GNMA security, so we would pair the remainder of the tax-exempt bonds with the bridge loan which will be paid off at construction completion.

2. Identify which, if any, of the priorities in Section 2 of the QAP.

The Guiding Principles in Section 2(A) of the QAP that the applicant meets are:
This development would assist populations in need of affordable housing, including households with children. With (48) 3-Bedroom units, this will fill a gap in households with children for this area that is desperately needed. Underscoring the need for very low-income units for families, there are currently (0) 3-Bedroom units in this PMA at 30% AMI, while this development would provide (4) 30% AMI 3-Bedroom units. The households with families would be provided supportive services by way of free transportation, tutoring, financial literacy classes, biometric screening and in the case of 30% AMI residents, access to free primary doctor care.

This development will contribute to Colorado meeting its 100 percent Renewable Energy goals and to support affordable housing that is constructed to be Electrification-Ready and will benefit from being able to use at least 600kW of solar power to offset its electric needs. This development will be 100% electric, employing all electric utility systems.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP.

The market study for this development shows an extreme need for more affordable units in this PMA. The overall weighted average multifamily vacancy rate is 1.5%, with the vacancy rate for comparable affordable developments being .7%, with the closest tax credit development approximately 3.7 miles away. Further demonstrating the lack of adequate affordable housing, four of the five affordable developments within the PMA maintained waitlists, with one reporting a waitlist that is up to 111 households. People in this PMA or those that want to live in this PMA are desperately trying to get into affordable housing.

The site is zoned for multifamily and has an approved preliminary development plan. We are eligible to submit our building plans for FDP approval and plan on filing our Final Development Plan ("FDP") documents in November, which will take approximately 6-8 weeks to complete. We can start our construction and building plans review during the FDP process, so we expect to have completed all approvals needed by February. On the financing front we are submitting our HUD package in January, once we have completed one round of the FDP process to ensure there are no significant building plan changes. Typically, we would expect HUD to review and issue a firm commitment in about 3 months. Therefore, we would expect a firm commitment from HUD by April 2025 and plan on closing on all financing by June 2025.

The financials provided show a sound and financially feasible development. The applicant has developed (5) 4% tax credit developments in Colorado in the past 10 years and has a national portfolio of over 25,000 affordable units that it also manages and thus has the financial expertise to be comfortable with the financial viability of this development. The applicant has the financial capital to be able to invest a great amount of equity in this deal to see it succeed. This is an opportunity to get a high-quality development that will provide a substantial number of affordable units to an area that is in great need where not many private developers would be able, or willing, to invest this much in getting a development completed.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

The Applicant is requesting a Waiver for the PUPA minimum. Our current PUPA is only $95 less than the $4,500 minimum. With Housing Catalyst as a partner for this development there are no property taxes figured into the operating expenses, which drops the PUPA below the minimum (see waiver request documents).

5. Address any issues raised by the market analyst in the market study.

The only weakness for this development identified in the market study is the walk chart score. Despite the walk score, we are .3-.6 miles away from a bus stop and will be connected to a bike/walking trail. The reason for the poor walk score is that this site is in an area that is currently under major re-development, so many of the walk score "points" are not yet in place. Phase I of the master plan development area is currently under construction with Phase II and III going through the planning process. Even beyond the master planned development, the surrounding area is also under development. For example, Mosaic, a large single family home development which is not part of Bloom just finished construction.

Portions of this greater area have recently completed construction or are currently under construction, which means as of right now amenities like walking/bike paths are being put in place but are not yet fully connected. For example, development of The Grove in Bloom would connect trails to Phase I of Bloom and with Mosaic, enhancing that connection. Additionally, there are commercial/retail uses along the frontage of Mulberry Street that are scheduled after Phase III. See Supplemental Master Plan documents.

Therefore, although the walk score is not ideal at this time, it will have improved greatly by the time construction of this development is complete and will continue to improve as the surrounding area is developed. This is a short-term weakness. To enhance connectivity this development will be offering a transportation service outlined in more detail in supplemental documents that will provide transportation to a bus stop downtown Fort Collins and a shopping center and rides that a resident can reserve.

The benefit of developing now is that you can ensure that there is affordable housing before the land becomes too expensive to develop as affordable housing. As has been proven by the current severe lack of affordable housing in this PMA, it is very difficult to develop affordable housing later. As additional evidence that this area rapidly developing is that as of this year this site lost its QCT status. The new development has brought in people with incomes high enough to remove this census tract from its QCT status.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

   There are no environmental issues raised for this site.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment (Refer to Section 2 of the QAP for additional information).

The Applicant likely has higher site costs than would be typical, but those costs are offset by a dollar-for-dollar reduction in the land cost (see more discussion on this in Section 7 hereto). Adding solar panels increases the build cost, but that cost is far outweighed by the environmental benefits of utilizing electric systems and reducing the need for 3rd party electricity.

We were involved in the Major Subdivision Plan ("MSP") process with the master developer, and so we have been able to negotiate decisions that allowed for cost savings. We were able to get support and approval for cost-efficient design elements, reasonable building façade proportions and materials. We were also able to obtain approval for high density, 3-story 24-unit buildings, which allowed us to reach high density and utilize one of our most-efficient building types for this development. In our experience, 3-story garden style apartments are the most cost-effective design when compared to similar 2-story product, we get 33% more units for each combination of roof, foundation, and utility interconnections.

Furthermore, the addition of solar contributes to the overall cost and a higher eligible basis but provides the dual benefit of being better for our environment, requiring a lesser public utility need and benefiting the resident by way of lower rent/utility cost.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

For the master plan process there was a neighborhood meeting. There was no opposition to this site as part of the development plans. The City of Fort Collins is very supportive of this proposed development and has worked with us in that process to allow beneficial development standards (such as higher density zoning and design guidelines) to help with the overall cost of development. Furthermore, Housing Catalyst recognizes that this development is greatly needed and as a partner in this proposed development would be adding a property tax exemption to aid in the financial feasibility.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

Households in this PMA or those that want to live in this PMA are desperately trying to get into affordable housing. Over 59% of renters in Fort Collins paid more than 30% of their income towards rent in 2021. That represents an extremely large number of households that are being financially strained to pay rent due because they cannot get into affordable housing. With a waitlist of 111 households long, it could be years before a qualified household could get into an affordable unit in this PMA to increase their economic mobility. Lacking any other options, many households use a financially unsound percentage of their income for rent, stunting their economic mobility.

This development would provide 264 families with a great opportunity to increase their economic mobility. Coupled with a more manageable rent are the valuable services being provided at no cost to the residents. Having free access to financial education, tutoring, health care, and transportation, these families will have the opportunity to be better equipped to handle financial emergencies, create savings, start a business, change jobs, and become a homeowner. This is the type of development that fosters real economic mobility.

4% housing credit application narrative

Project Name: Haven at Lakeside
Project Address: 1881 Airport Road, Colorado Springs, CO 80910

Executive Summary: Haven at Lakeside is a 73-unit affordable housing community situated on Dream Centers Commons, a campus that is being developed by Dream Centers of Colorado Springs. Dream Centers is a nonprofit that identifies and fills the greatest gaps of care in the Pikes Peak Region. Dream Centers' initial pillar programs were The Women's Clinic and Mary's Home (see Attachment A: Annual Report describing these programs). As Dream Centers enters their third pillar program of addressing childhood trauma, the essentiality of affordable housing has emerged as a critical need and the Haven at Lakeside development was identified.

Dream Centers is working with Norwood Development to develop the property and will partner with Greccio Housing as the property manager. Haven at Lakeside is a family development and is the first portion of a phased campus build out which also includes a Trauma and Resilience Informed Early Childhood and Education Center, first of its kind in Colorado, that will bridge the gap between childhood trauma (high numbers of adverse childhood experiences) and a hopeful future. At completion, the campus will also include other neighborhood services and a continuum of housing options.

For the past 14 years, Dream Centers has been serving Colorado Springs through Mary's Home and the state of Colorado through their Women's Clinic. Located 1.5 miles east of Haven at Lakeside, Mary's Home is a safe space for women and children escaping cycles of poverty, abuse and homelessness. Dream Centers' Women's Clinic, located 6.5 miles northeast of Haven at Lakeside, is the only free GYN clinic in the state. The wraparound services of the Women's Clinic will be available to teen girls and women living at Haven at Lakeside who are un- or underinsured. Haven at Lakeside, and the broader future campus, will give Dream Centers the opportunity to expand their direct services to additional families through affordable housing.

For the future tenants at Haven at Lakeside, Dream Centers has a two-fold goal: to maximize units for households qualifying at 50% AMI and below and, also, providing units that income qualify for households at 70% AMI, potentially to benefit early childhood educators. There is a dire need for early childhood educators in Colorado Springs, where there is a shortage of 16,000 new childcare spots. Without housing for the over 1,000 educators that would be needed for that childcare growth, the needs of children in Colorado Springs will continue to go unmet. For this reason, Dream Centers will actively advertise Haven at Lakeside to early childhood educators and work with both Head Start providers (CPCD and Early Connections Learning Centers) in this mission. Further, the rents of the 70% AMI units are set at a 60% AMI rent level to alleviate the cost-burden for the childhood workers and families of Haven at Lakeside.

Dream Centers and Greccio Housing have developed a services agreement outlining Greccio's services support and Dream Centers' additional programing (see Attachment B: Services Collaboration Framework). A line item in the operating expense budget supports this programming in addition to Dream Centers' normal programming funding.

The campus is located near numerous amenities. Across the street is Memorial Park, which is home to: the Olympic Velodrome, Prospect Lake, tennis courts, baseball fields and a skate park. Bike lanes on Airport Rd connect the property with throughfares Academy Blvd and Powers Blvd and Eastlake Blvd's bike lanes connect residents with downtown. A hub of medical centers and services is a half mile to the northeast.

A myriad of employment opportunities exist a half mile north along Union Blvd, 2 miles downtown, or 2 miles along Academy Blvd. The Citadel Mall is only 2.5 miles to the northeast. Finally, there are two transit routes that bring buses past Haven at Lakeside. Route 1 has a stop adjacent Pikes Peak Odd Fellows Housing (Haven at Lakeside's neighbor), a few hundred feet from Haven at Lakeside. Route 7 also has a stop 0.4 miles north of the project site, along Union Blvd.

Haven at Lakeside is located in a qualified census tract and will provide 41 one-bedroom units and 32 two-bedroom units with the following affordability mix:

	No. of Units	AMI %
30% AMI	8	11.0%
40% AMI	4	5.5%
50% AMI	32	43.8%
60% AMI	8	11.0%
70% AMI*	21	28.8%
Total	73	100.0%

**Rents set at 60% AMI equivalent rent*

The project is designed as a four-story, wood-framed, fully fire sprinklered building prioritizing resident convenience, community engagement, and security. The building will have NGBS Bronze level energy efficiencies including water saving and Energy Star rated appliances, and zero irrigation landscaping. The project will incorporate the seven principles of Universal Design based on The Center for Universal Design. The first floor will host the community hub with full-time property management staff, resident lounge, clubroom, indoor bike storage and maintenance facility, exterior terraces and perimeter fencing. Each unit will have keyless entry, exterior access via a Juliet balcony, and in-unit washer and dryer. The project is zoned with an allowable density of 73 total dwelling units across the 1 acre parcel. Please see the attached Parking Plan (Attachment C: Parking Plan) evidencing appropriate parking.

The project is supported by a diverse and expert team that will create a thriving and supportive community. The attached chart outlines the different partners and their roles (Attachment D: Org Chart).

1. Describe the bond financing structure: The bonds will be issued on behalf of the tax credit partnership by El Paso County and are anticipated to be a private direct placement drawdown structure sized at less than 55% of aggregate basis. $14.5 million short term tax exempt bonds paying down to approximately $4.2 million long term with an approximate $4.1 million short term taxable equity bridge.

2. Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP) apply: Haven at Lakeside does not directly respond to these Priorities; it responds to several Guiding Principles.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

Market conditions: The overall capture rate for the project is 5.8% putting the capture rates for each AMI level well below CHFA's threshold 25%. The overall capture rate accounts for completion of four LIHTC properties in the PMA and assumes no in-migration. Strong market demand is evidenced by the low vacancy rates at the comparable LIHTC properties described below.

Proximity to existing tax credit developments: The PMA has 21 LIHTC properties for a combined 1,313 units. Three existing LIHTC properties were selected as most comparable to the Haven at Lakeside: Hillside Pointe Apartments, built in 2004, located 1.3 miles away offering 40-60% AMI units with 3.3% vacancy (60-100 person wait-list); Homewood Point, built in 2006, located 1.4 miles away offering 40-60% AMI units with 1.0% vacancy; Shook's Run Apartments, built in 2021, located 1.5 miles away offering 30-60% AMI units with 10% vacancy (despite a 700 person wait-list, due to staffing shortage).

Project readiness: The entirety of Dream Centers Commons Campus is under the control of the project sponsor, Dream Centers, who purchased the property in June 2022. Since then, Dream Centers has continued to complete due diligence and planning items in preparing the site for development including: site reports, feasibility studies, meeting with the surrounding neighborhoods, and rezoning of the campus into a Planned Development Zone (PDZ). The rezoning of the campus adjusts the base zoning code to allow for a unified overall development that has a campus like feel. Eligibility for a PDZ development per the Colorado Springs Zoning code is:

- Provide a means of developing large, undeveloped tracts of land or other unique sites with a unified approach
- Facilitate creative, high-quality developments that offer an integrated mix of nonresidential uses and housing options, in conjunction with other community amenities or other benefits to the City or its citizens;
- Encourage flexibility in design to create a better living environment, to preserve the unique features of the site, and to provide public services in a more economic manner; and
- Provide a clear and reasonable plan for the phased development and completion of proposed development, consistent with the Colorado Springs Comprehensive Plan.

The campus rezoning application was extremely well received by the Planning Department, Planning Commission, and City Council being called 'the quintessence of a PDZ Application' by the Commission. The rezoning was completed and approved in June 2024 and makes all future development plans for future phases of the campus eligible for administrative approval by the Planning Department.
Haven at Lakeside's Development Plan was submitted concurrently to its rezoning application and was approved on July 25, 2024. The approval for the development plan completes all prerequisites to be considered ready to submit for Building Permit and Grading and Erosion Control Permit approvals. Haven at Lakeside is currently at 100% Schematic Drawings. At approval and award of tax credits, the design and engineering team will work swiftly to progress through the additional design phases and submit for Building Permit approvals in June 2025. The development team is estimating the approvals for Building & Grading and Erosion Control Permits will be 90 days and the project will begin construction in September 2025.

Overall financial feasibility and viability: The financing plan includes tax-exempt private activity bonds (PAB) issued by El Paso County with PAB volume cap provided by the issuer. The development was awarded a $500,000 Housing Trust Fund loan from the El Paso County Housing Authority and a $1,000,000 Affordable Housing Investment Fund (AHIF) loan from Pikes Peak Real Estate Foundation (PPREF); both hard pay debt. The project will have federal LIHTC equity and state AHTC equity. In addition to LIHTC and AHTC equity, there is cash flow subordinate funding of $500,000 from the City of Colorado Springs, $1,500,000 from the Federal Home Loan Bank Affordable Housing Program, a partial land carryback loan, and deferred development fee. The City of Colorado Springs will rebate $230,000 in development fees.

Experience and track record of the development and management team: Dream Centers has gathered an experienced team to develop Haven at Lakeside. Norwood Development Group, the Project's developer and one of the premier developers in El Paso County, has created over 1,800 units of multi-family housing in the last 10 years, with an additional 1,000 in their pipeline. CSI Construction provided the cost estimate. Bowman Consulting and TDG Architecture bring their experience to the design and functionality of the building. Greccio Housing will provide their expertise in LIHTC compliance and the local community's needs to the team as the Property Manager.

Project costs: Construction cost estimates have been provided by CSI Construction Company, an experienced multi-family general contractor with multiple projects in the Colorado Springs and Denver metro area. Costs have been further vetted by Norwood Development whose track record makes them very familiar with the development processes in the region. Haven at Lakeside utilizes an efficient wood-frame construction design which is considered the standard in Colorado Springs and is familiar to most subcontractors in the area. This design and construction type along with a slowing of the active construction are making construction prices plateau or even slightly decrease in some cases as subcontractors are looking to line up their future pipeline.

Site suitability: The Project site is served by various services, amenities, and public transit. There is a public high school adjacent to the site and a park with fishing, trails, sports fields/courts, recreation center, and velodrome one block from the site. Within one mile are a bus stop, grocery store, two elementary schools, and a pharmacy. Within two miles of the site are a hospital and a police station.

COMMUNITY FACILITIES & DISTANCE FROM SUBJECT		
Service or Facility	Name	Distance from Project
High School	Eastlake High School	200 Feet
Bus Stop	Eastlake/1912 Eastlake	0.1 Miles
Park	Memorial Park	0.1 Miles
Elementary School	Adams Elementary School	0.3 Miles
Grocery Store	Save A Lot	0.7 Miles
Pharmacy	Walgreens	0.7 Miles
Elementary School	Rodgers Elementary School	1.0 Miles
Hospital	UC Health Memorial	1.3 Miles
Police Department	Colorado Springs Police Department	1.6 Miles
Grocery/Shopping	Walmart Supercenter	2.3 Miles
Library	Penrose Public Library	2.4 Miles
Grocery Store	Natural Grocers	2.6 Miles
Middle School	North Middle School	2.6 Miles
Middle School	Panorama Community Junior School	3.8 Miles

The Eastlake/1912 Eastlake bus stop is 0.1 miles (4-minute walk) from the Project and is serviced by the 1 and 18 buses. The 1 bus runs west into downtown Colorado Springs and southeast to Fountain Mesa Road with service every 15 minutes from approximately 6:20am to 10:00pm weekdays, every 30 minutes from 7:20am to 9:30pm Saturdays, and every 30 minutes from 8:20am to 5:20pm Sundays. The 18 bus runs north along North Union Boulevard to North Academy Boulevard every hour from 6:24am to 6:22pm on weekdays, 7:06am to 6:04pm on Saturdays, and 8:06am to 5:04pm Sundays.

4. Justification for waiver of underwriting criteria: Please see Attachment E for a justification of the AHTC APR waiver request for Haven at Lakeside.

5. Address any issues raised by the market analyst in the market study. The only weakness proposed by the market analyst is a low walk score. However, the Project's walk score of 38 is above average for the city of Colorado Springs (36) and the Project's transit score is 36, which is well above average for the city of Colorado Springs (19).

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. The Phase I Environmental Site Assessment prepared by ESA dated January 31, 2024. No Recognizable Environmental Conditions (RECs) were identified.

7. Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP). To help contribute to Federal, State, Local, and project goals, a few factors are increasing projects costs. Dream Centers Commons Campus is utilizing underground drainage and detention chamber systems for site runoff. This maximizes the campus' usable area and in turn its dwelling unit density and keeps the conformance to the standard of the surrounding neighborhood's character and land use patterns. Haven at Lakeside will also be an All-Electric building with no gas service. This increases the electrical service load to the building, however, removes the cost of installation of gas lines from the start and also removes costs associated with future energy retrofit needs. Other cost factors that may be considered unusual or higher than average are for resident and management staff convenience. These include a large bike storage and maintenance facility to encourage alternative means of transportation, service closets accessible from corridors to minimize staff having to coordinate with residents to enter apartments to service equipment, and a service basement which takes advantage of the natural slope and holds utility entries and additional storage areas for building equipment.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). Neighbors, City Council, leaders in southeast Colorado Springs, and the local neighborhood association are delighted with Haven at Lakeside. The neighborhood association strongly desires that high-quality affordable housing options increase in the neighborhood. The development's immediate neighbors, the Int'l Order of Oddfellows, own and operate 144 units of senior affordable housing in the Pikes Peak Towers and are also highly supportive. This group sold the property to Dream Centers, knowing the shared affordable housing missions, and knowing that senior residents in the towers would have additional volunteer options with Dream Centers programs onsite. Conversations with families in adjacent multifamily properties indicate families are thrilled. Commercial developers along Union Blvd from Blue Truck Capital and Peak Vista FQHC, to the Printers Hill at Union Printers Home are all highly supportive and look forward to contributing to Dream Centers' community development efforts in this critical area between downtown and southeast Colorado Springs. Please see the attached 24 letters of community support (Attachment F: Letters of Support).

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. Dream Centers, through its focus on women, children, housing, health care, and behavioral health, is well equipped to identify and support families as they manage roadblocks and find stable footing. Together with Greccio Housing, Dream Centers will support the tenants of Haven at Lakeside in opening opportunities such as their robust partnerships with Department of Human Services, Pikes Peak State College, Pikes Peak Workforce Center, The Thrive Network (Entrepreneurial Coaching and Development), and more. Their commitment to equity and economic mobility stems from a culture that values all people and a belief that everyone should have the opportunity to live their full potential. Dream Centers thrives on removing barriers to access and opportunity, and they are experts in addressing the multifaceted complexities of poverty, only achievable by investing time and building trust.

4% housing credit application narrative

Project Name: The Ives II

Project Address: 7525 W. 44th Avenue, Wheat Ridge, CO

Executive Summary

Jefferson County Housing Authority, d/b/a Foothills Regional Housing (FRH) is pursuing a 4% LIHTC and AHTC award to develop The Ives II, an 80-unit apartment community. The site is located at the northeast corner of Wadsworth Boulevard and 44th Avenue in Wheat Ridge and is adjacent to a residential neighborhood park and the newly completed Ives I project. This site is not located in a QCT or DDA.

Since applying in 2023, FRH has made several meaningful changes based on experience, feedback and financial feasibility. The major change we implemented has been the reduction in unit count from 97 to 80. The 17 units have been repositioned to the future phases on the site (which we already own) so we are not losing units. The 80-unit configuration is appreciated by the neighbors and allows our design to be more efficient with costs given the funding constraints. This decision was also informed by our entire team's intimate knowledge of the site with the completion of Ives I in May.

Access to public transportation, park, pharmacy, neighborhood shopping center, medical clinic, and grocery store are located within half a mile of the project and, within one mile, there is a hospital, Head Start, community shopping center, and childcare center. Yet, even greater neighborhood amenities are on the horizon. This development's timing aligns with major improvements along Wadsworth Boulevard. The corridor improvement project, known as Improve Wadsworth, is a $70 million project to expand the Wheat Ridge Wadsworth corridor. With widened sidewalks, boulevard landscaping, and improved crosswalks, Improve Wadsworth will increase vehicle and pedestrian safety and improve walkability surrounding the project site. While Wheat Ridge has lower than average home prices for the Denver metro area, affordable units are nonetheless still difficult to find. Currently, the overall vacancy rate in Jefferson County is 4.5%. The Ives will provide 43 one-bedroom units, 30 two-bedroom units, and 7 three-bedroom units 30% - 70% AMI households, with a weighted average AMI of 58%. FRH intends to commit 24 project-based vouchers from its own HCV allocation. The average size of the units is 570 square feet, 800 square feet and 1160 square feet for the one-, two-, and three-bedrooms, respectively. Design and construction will consist of a four-story two-elevator building with wood-framed walls and structure at levels 1-4, slab and spread footing foundations. The building will have a mix of flat and pitched roofs and the exterior will be hardiplank. The project will have a total of 44 parking spaces, or 0.55 per unit – above the City of Wheat Ridge affordable housing minimum parking ratio of 0.5. Residential corridors will be double loaded and accessible via stairwells and an elevator. This building will pursue EGC certification and will feature high efficiency design paired with electrification-ready construction. To achieve a high level of greenhouse gas and utility cost reduction, The Ives will utilize high efficiency air source heat pumps, central condensing domestic hot water plant with high rated AFUE, low flow plumbing and water-wise landscaping, above code windows and envelope insulation systems, low power density LED light package and Energy Star appliances. The project will have significant amenities including vinyl wood flooring throughout the units, dishwashers, microwaves, walk-in closets, and will be WiFi ready. Common amenities include elevator service, community and flex space, on-site laundry, outdoor green space, BBQ pits, and owner paid utilities. Approximately 4,900 SF of leasing and amenity spaces are available for residents, partner agencies, and staff use including WiFi access, mail lobby, lounge, staff offices, reception desk, and kitchenette. This common area space will accommodate voluntary services provided by partner agencies. Additionally, tenants of Ives II will also have access to voluntary services offered by Jefferson Center for Mental Health at Ives I, located only a few hundred feet away. These providers will offer a board range of services including suicide prevention programming, wellness classes on a wide range of behavioral and physical health topics, life skills and parenting skills training, trauma services, intensive outpatient (IOP) substance use group therapy, employment services, homelessness prevention, and telehealth access. In addition to federal 4% tax credit equity, 45L equity and Colorado AHTC equity, the proposed financing includes a tax-exempt construction to perm loan boosted by the PBV provided by FRH, soft funding including Jefferson County HOME funding, a seller carry-back note from FRH, an additional sponsor note and deferred developer fee.

Bond Financing Structure

a. Currently $20,000,000 PAB paid down to an estimated $12,200,000 in long term PAB
b. Foothills Regional Housing will be the bond issuer and volume cap provider
c. Forward Construction to Perm structure anticipated with a private placement single lender
d. 100% of the bonds will be tax exempt. There will be a small conventional second during construction.

Priorities in Section 2 of the QAP:
None

Criteria for approval in Section 2 of the QAP
Market conditions: Market conditions are very favorable for The Ives II as the average apartment vacancy rate in the Primary Market Area (PMA) is 4.5% and the inclusion of 70% AMI units will allow it to target an underserved market since there are no existing LIHTC units at this threshold. The Ives II's capture rate for the 60-70% AMI units is 4.4% and the PMA occupancy rate is 96% and has been absorbing 511 rental units per year with no concessions, evidencing a strong rental market.

Proximity to existing tax credit developments: There is only one existing non-age-restricted LIHTC project in the PMA. It had a 200-applicant waitlist and, while the surveyed LIHTC properties outside the PMA were 96% occupied in July 2024 and had waitlists with ten to 200 applicants. As such, there is substantial pent-up demand for a project like The Ives II. The Ives I, a sister development to the Ives II, is located just a few hundred feet away. Ives I consists of 50 one-bedroom units, with approximately half of the units providing preferences for individuals exiting homelessness and receiving services from JCMH (no formal requirements). Lease up of Ives 1 started mid-June 2024 and is anticipated to be fully least by the end of August 2024. Ives II features larger units, up to three-bedrooms, aimed at serving a broader demographic than Ives I.

Project readiness:

The site is correctly zoned for the scope and use with the ability to close within 9 months of an award. Furthermore, the same team that worked on the Ives I, which is now completed ahead of schedule and under budget, is working on Ives II, which offers informed assumptions and learning. Finally, FRH is able to bring a great amount of its own funding to the deal to make it feasible including a seller carry note, its own capital, and project-based vouchers.

Overall financial feasibility and viability

As conceived, the project is financially feasible using 4% LIHTC, AHTC, favorable tax-exempt rates, the 24 PBV and all of the committed gap financing, including the substantial amount provided by FRH. Costs have been vetted by the same design/construction team who built the site next door affording a lot of current information and efficiencies. Initial conversations with lenders and LIHTC investors indicate a strong market interest. Letters of intent and or interest from all funding sources are provided and demonstrate overall financial viability.

Experience and track record of the development and management team:

FRH has been developing and managing affordable housing projects in Jefferson County since 1975. In addition, Shopworks Architecture and Calcon Construction have extensive experience in the affordable housing space and have worked with FRH's owner's rep GL Development Advisors. RCH Jones consulting has helped with deal structure and financial underwriting. All four of these firms partnered successfully to complete Ives 1 ahead of schedule and under budget (also leasing up Ives 1 ahead of investor projections). Please see attached information from FRH and our development team members for more information on our qualifications.

Project costs:

The project's construction and soft costs are based on schematic design drawings that have been informed by dozens of meetings and local data generated by a General Contractor. FRH has completed another project on the same block, which provides real-time development and operating costs. FRH has worked to keep project costs as low as possible while still intending to deliver quality spaces and being mindful of construction material and labor shortages.

Site suitability:

The project site has frontage along Wadsworth Boulevard, an arterial road, which provides excellent visibility. Tenants will benefit immensely from its proximity to the RTD bus stop at Wadsworth Boulevard and West 44th Avenue, which is nearly adjacent to its western boundary, as well as its location directly adjacent to Apel-Bacher Park to the east, which was recently redeveloped and improved. The site is also within walking distance to banking services, an elementary school, grocery store, neighborhood shopping center and post office, and within a mile of childcare, a medical clinic, hospital, big box retail stores, community shopping center and senior center. Most importantly, the site is adjacent to Ives I and both residents and management can take advantage of those efficiencies.

Requests to waive underwriting criteria:
The sponsor has requested a cost basis override for the qualified 4% credit amount and a small rate boost for the AHTC amount citing specific site and market related reasons.

Address any issues raised by the market analyst in the market study:
The subject's unit amenities are slightly inferior or inferior to most surveyed projects that offer in unit laundry, and the subject's unit sizes are slightly smaller than average for the PMA. These characteristics should be offset by the subject's competitive location, project amenities, design and condition. We have targeted our design approach to address the needs of the intended residents and believe the specialized services along with subject's competitive unit features, project amenities, design and condition offset the smaller unit sizes. FRH is continuing to explore the feasibility of in-unit laundry equipment for 3-bedroom units.

Issues raised in the environmental report and how these issues will be or have been mitigated:
Our Phase I consultant has identified 1 REC and some BERs. The recommendations are as follows:

- Restriction of groundwater use and a Soils and Materials Maintenance Plan
- Sub slab vapor mitigation system
- Radon mitigation system
- Limited site investigation

FRH will perform the recommended actions, and the mitigation system and investigations are budgeted.

Unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment:
The construction budget for the Ives II is affected by the following:

- Increased costs associated with access road creation and utility installation that will benefit all phases of the site's master plan. Our design team is prioritizing a neighborhood typology at the private drive that will significantly enhance the pedestrian experience at the junction of two major thoroughfares.
- Enhanced pavers as our storm options are limited due to space constraints. Underground detention isn't really an option due to grades on the site.
- Containment of these costs is being addressed by the efficient and timely use of the same development team that just completed the adjacent Ives I project.

Description of outreach to the community and local opposition and/or support for the project:
We have worked closely with the City of Wheat Ridge to ensure zoning and design requirements are met. The City also donated part of the site to FRH at no cost. Jefferson County is committed to $1,050,000 of

HOME funding for The Ives II. Letters of support from local governmental agencies have been included. We are not aware of any current opposition to the proposed project.

Description of how the project contributes to promoting equity as well as economic mobility for residents:
This site has excellent access to job centers and RTD bus line service along the Wadsworth corridor and will contribute to the ongoing community development taking place and being encouraged by the City of Wheat Ridge. The Ives II is located near existing retail, including Safeway grocery store (11-minute walk) and Walgreens (4-minute walk), and social services, including Jefferson Center Walk-In Crisis Center (6-minute walk) and STRIDE Community Health Center (13-minute bus ride). Additionally, the partners for this project provide services aimed at helping tenants increase their level of self-sufficiency. Such services include financial education, parenting classes, and employment assistance.

4% housing tax credit application narrative

Project Name: Jet Wing Flats

Project Address: 2040 Jet Wing Dr, Colorado Springs, CO 80916

Income	Type	# of Units
30% AMI	1-bed/1-bath	4
	2-bed/1-bath	2
	3-bed/2-bath	1
40% AMI	1-bed/1-bath	4
	2-bed/1-bath	2
	3-bed/2-bath	1
50% AMI	1-bed/1-bath	9
	2-bed/1-bath	6
	3-bed/2-bath	4
60% AMI	1-bed/1-bath	4
	2-bed/1-bath	9
	3-bed/2-bath	7
80% AMI	1-bed/1-bath	3
	2-bed/1-bath	9
	3-bed/2-bath	3

Executive Summary: Jet Wing Flats is a 68-unit family development in the underserved Southborough neighborhood in SE Colorado Springs. It is led by Commonwealth Development Corporation and local non-profit Solid Rock Community Development Corporation (SRCDC). Jet Wing Flats is integral to a broader mixed-use neighborhood plan led by SRCDC. This plan calls for affordable housing, community services, and economic development through the SE Colorado Springs Community Investment Trust (SECIT). The SECIT has had positive investment in the retail component with City support. The 3-story midrise development has 1-, 2-, and 3-bed units and surface parking. The 2.73-acre site is permitted by right per zoning code allowing up to 25 units/acre. It is in a 2024 QCT and contributes to a CRP. Located 0.2 miles from transit, the site has a higher Walk Score than average. Jet Wing Flats will diversify affordable housing options in a growing neighborhood that has strong access to grocery stores, schools, community centers, healthcare, green space, and employment centers. The airport employs 19,000+ people and is just one of many large employers nearby.

The team advanced drawings to 25% design development and has received Development Plan approval from the City, ensuring project readiness. The timber-frame slab-on-grade building has composite siding, varied facades, and a membrane roof. The building has two elevators, double-loaded corridors, security cameras, secure entrances, and on-site management. Amenities include a(n) multi-purpose community room, exercise room, business center, picnic area, playground, and green spaces. Units include central HVAC, blinds, carpeting, internet/cable hook-ups, ceiling fans, coat and walk-in closets, pantry, fridge, stove/oven, dishwasher, disposal, and in-unit washer/dryer. The building integrates trauma-informed design with views of green space, increased natural light, and warm colors and artwork throughout. The all-electric development will pursue ZERH and LEED Silver Certifications and will have water-sense fixtures, recycling, EV-ready parking spaces, and secure bicycle parking. It will be smoke-free, comply with EPA's Indoor airPLUS (IAP) standards, and incorporate xeriscaping.

On-site community and supportive services include eviction prevention, financial literacy, budgeting, and first-time home buyer courses, food security resources, and youth programming from SRCDC and Greccio (Property Manager). The property manager will work with the Pikes Peak Continuum of Care (PPCoC) to identify and support households looking for housing opportunities with light-touch supportive services. An MOU with Family Promise commits additional case management services and will be funded through operational cash flow. Since our previous application, we have identified additional funding sources (45L Credits), secured an MOU with a service provider, obtained a commitment of tax exemption from the local Housing Authority, advanced architectural drawings to 25% design development and received City Development Plan approval, and hired a local general contractor with enhanced knowledge of subcontractor base to improve our cost estimate. This project will be funded through the syndication of Federal 4% LIHTC, the accelerated State Credit, the 45L Credit, and soft funds from the Colorado Health Foundation, the City of Colorado Springs, and El Paso County Housing Trust Fund. Commonwealth Development Corporation looks forward to its continued partnership with SRCDC, in hopes to bring much needed affordable housing to the Southeast Colorado Springs community.

Colorado Springs is the second largest city in Colorado and is projected to approach 1 million by 2040, eventually becoming the most populous region of the state. The community offers many impactful opportunities for LMI households through its public transit, imperative public support system, educational resources, and employment options. However, the city also faces some of the state's greatest needs, with a poverty rate 9% higher than the state average and a disproportionate homeless population that includes 1 in 7 of the state's Black/African American homeless, 1 in 5 of the state's Asian/Asian American homeless, and 1 in 5 of the state's homeless veterans. This reality was reinforced in the 2023 Point-In-Time findings, which state: "There is a 250% over-representation in the homeless population compared to the 2022 Census for El Paso County and a 380% over-representation of Black or African American people among Families". According to Pikes Peak COC, a major issue contributing to homelessness and housing insecurity is the lack of affordable housing options including a serious shortage of units available at very low-income levels.

Despite the scale and significance of this need, very few tax credits have been awarded to Colorado Springs that both serve families and provide greater income targeting. In response to this need, Jet Wing Flats is designating 48% of units to serving households at or below 50% AMI, achieving the goal of serving the lowest-income households, with all 30% AMI units selected through the local Coordinated Entry program targeting households at greatest risk of homelessness. And in ensuring long-term impact, Jet Wing Flats will have an initial 40-year affordability period, with Solid Rock CDC having the option to attain full ownership following year 15, furthering their not-for-profit work to create and preserve affordable housing in the Colorado Springs community.

1. <u>Describe the bond financing structure:</u> It is anticipated that the bonds for this project will be issued by CHFA and privately placed with a construction lender. $14,719,687 tax-exempt bonds will be issued during the construction period with a $6,090,450 taxable tail. Sterling Bank will provide construction financing. Upon conversion, the construction loan will be retired and CHFA will provide a long-term bond of $6,300,000.
2. <u>Identify which, if any, of the priorities in Section 2 of the QAP:</u> While Jet Wing Flats will not entirely serve Special Populations, the development does provide services and resources for individuals and families who were referred through the Pikes Peak CoC, Family Promise, or other vulnerable individuals (As detailed further in a Supporting Documentation titled H.10.CommunityResourcesandServices.) The development will support individuals and families at all income levels, providing a diverse range of bedrooms and AMI levels.
3. <u>Describe how the project meets the criteria for approval in Section 2 of the QAP:</u>
   <u>*Market Conditions*</u>
   Of the 82,235 households currently renting in El Paso County, one in three are cost-burdened while one in eight are extremely cost-burdened paying more than 50% of income on housing. The 2023 Point-in-time (PIT) survey found 1,302 individuals experiencing homelessness, including 374 unsheltered and 928 in emergency shelters or transitional housing and in need of an affordable option to transition to. Need for additional affordable housing inventory – especially at the lowest AMI levels – remains a key priority for Colorado Springs, with the 2022 city Homeless to Housing Plan affirming an urgent need for 16,855 new units targeted to households at or below 50% AMI. Only 27 units at 30% AMI currently exist in the PMA. Additionally, only 321 units currently exist at the 30, 40 & 50% AMI income levels. A small number of planned / under construction units will help address part of this need but penetration rates for Jet Wing Flats remain very low at these AMI levels, including a 1.9% capture rate at 30% AMI, a 2.4% capture rate at 40% AMI and a 6.6% capture rate at 50% AMI. The market study found that LIHTC projects showed a firmly stable market with a 95-100% occupancy rate over the last year and a vacancy of 3.6%. The PMA currently has 77,797 households, 35,835 of which are renters. Based on Jet Wing Flats current affordability mix, the PMA has 17,048 income- and size-qualified renter households, accounting for over 47% of PMA renters.

Further illustrating demand, according to the Colorado Springs Housing Affordability Report 2024, the housing deficit in 2023 is in the range of 16,554 to 27,360 units. To meet population growth by 2028 and close the housing deficit, between 32,000 and 43,000 housing units will need to be built. Jet Wing Flats aims to address this gap by providing housing for those who are underserved and in greatest need.

Proximity to Existing Tax Credit Developments

Three tax credit projects are present within the Gateway Park sub-market identified in the market study, of which two (Summit Creek and Fountain Springs) have a reservation year of 2002 or earlier. Copper Creek, located 2.2 miles north, was a 2013 awardee offering only 60% AMI and market-rate family units. No existing LIHTC units within the submarket offer family housing below 50% AMI. Academy Heights lies 1.4 miles north across Hwy 24. Expanding beyond the project's submarket, additional proximate LIHTC projects within the PMA include: Whitney Young Manor (1 mile west); Panorama Heights (1.3 miles west, under construction); Paloma Garden (1.9 miles northwest, senior), and Bentley Commons (1.6 miles southwest). Despite the relative proximity to other LIHTC developments, the market study shows strong a strong market for the proposed development.

Project Readiness

The development team has invested more than three years of planning and predevelopment work on the project, making Jet Wing Flats one of most project-ready new construction applications in Commonwealth's 20+ year history. Approval of rezoning has been secured, and the development plan has been approved by city staff as of October 12, 2023. The development and design team advanced drawings to 25% design development. Soft financing commitments have been secured from local and state partners, and the project has received strong support from the Colorado Health Foundation. According to the City's Letter of Recommendation (included in Section N (17) of this app), the project will be prioritized by the City and Pikes Peak Regional Building Department which exemplifies the need for new affordable housing units in the community. The project is expected to be fully financed upon award of tax credits and expects to be able to close and begin construction within 9 months of an award. All necessary utilities connections and public infrastructure improvements are present for the shovel-ready site.

Financial Feasibility and Viability

Income averaging will be utilized with an overall AMI level of 56% achieved through a mix of 30, 40, 50 and 80% AMI units. This approach allows for the inclusion of higher income units which in turn cross subsidize the expanded number of lower income units. The project will maximize efficient use of limited 4% state and federal credits through use of a diverse pool of soft financing sources, altogether achieving affordable debt servicing beginning year one (1.15 DSCR) and extending beyond year fifteen (1.36 DSCR) and fulfilling all required reserve and expense amounts.

Experience and Track Record of Development and Management

Bringing together local and national expertise in development and management of affordable housing, the Jet Wing Flats team has the experience, capacity, and track record to timely deliver a high-quality living community that maintains long-term compliance and continues to positively impact the community. Commonwealth consistently ranks as a top 20 national developer of affordable housing and has successfully developed more than 125 projects (including five Colorado developments) creating more than 8,000 placed in service units. Solid Rock CDC, under the leadership of Pastor Ben Anderson, has been deeply involved in the Colorado Springs community for more than a decade, working to create housing and economic opportunities through collaboration and action. The non-profit group has a proven record of leveraging local resources in support of development, including The Villages at Solid Rock affordable community. The partnership includes diverse and impactful leadership that positively contributes to the depth and reach of the development: Commonwealth Development is a woman-owned business; Solid Rock CDC is a Black American-led community organization with a leadership team including a diversity of races, genders, and ages.

Greccio Housing, a local nonprofit housing provider, will serve as the property manager upon completion. With expertise in tax credit development and management and more than 20 years of affordable housing management experience, Greccio helps create stable, safe, and supportive affordable housing options. Based in Colorado Springs, Greccio Housing manages more than 500 units locally, pairing professional property management and regulatory compliance with resident services designed to maintain successful occupancy and personal growth.

Project Costs

Total project costs for Jet Wing Flats align with the budgets of other projects successfully completed or currently underway by Commonwealth and are supported by contractor cost estimates. One factor contributing to the project's cost efficiency is the design of a three-story midrise building, ensuring optimal utilization of resources and cost-effectiveness while maximizing land use and resident density. Estimated construction costs amount to $239.31 per square foot and include a 2% contractor contingency on top of the standard owner's 5% contingency. Additionally, $239,557 is added for escalation.

Site Suitability

The vacant site includes public street access with sidewalks, bicycle lanes, existing utilities and stormwater infrastructure, with city approval of intended multifamily use. The site offers residents the convenience of walking to local schools (0.2 mi), public transit (0.1 mi), parks (0.3 mi), YMCA (0.2 mi), Library (0.4 mi), medical (0.4 mi), and a youth center (0.1 mi). An exceptional array of amenities are within 1.5 miles of the site, including: eight public schools; ten public parks; a community center; multiple groceries and pharmacies; Goodwill and multiple shopping plazas; ten health and wellness clinics; banking and childcare; and more than 8,750 jobs. Jet Wing Flats will achieve an ideal residential density providing the greatest number of families with access to the tools and resources necessary to achieve housing stability and economic mobility. The site is within the Mountain Metro ADA Paratransit service area, providing near city-wide access to individuals with significant barriers preventing use of regular public transit. The Jet Wing Flats team has successfully secured rezoning of the site to enable development of a high-density multifamily project, making this one of the densest developments in Southeast Colorado Springs at 25 units per acre – a level supported by the accompanying market study, which demonstrates clear demand for LMI affordable housing in the market through high existing LIHTC occupancy rates and low capture rates for the project. The site is a flat parcel that is free of flood, stream-impact, and wetland issues.

4. Describe any requests to waive underwriting criteria (if requesting): We requested a waiver on 7/30 of the state tax credit amount to increase to $1.8 MM. With this waiver, the development is financially feasible through the syndication of Federal LIHTC, accelerated annual State Credit, a permanent loan, and soft sources. A copy of this request is attached in Section K. (13).
5. Address any issues raised by the market analyst in the market study: N/A
6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated: N/A
7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment: N/A
8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support): The project design has been guided by local stakeholders, with outreach meetings with the neighborhood and community groups including the RISE Coalition as well as public sessions as part of the rezoning process. Development of this site and incorporation of affordable housing has been well supported, including identification by the city and the local COC as a high priority project. The Colorado Health Foundation is in support of this project, noting Jet Wing Flats "is a bullseye

achievement for sustainability and promoting health equity through a racial justice lens." The project has secured soft financial support through the various soft sources:

El Paso County Trust Fund - $500,000
Colorado Health Foundation - $950,000
City HOME funds - $500,000

Additionally, we engaged with several supportive service providers, including Family Promise and Family Life Services. Both organizations expressed their support for the project, with Family Promise agreeing to provide services as outlined in the MOU. No opposition to the project has occurred.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: Jet Wing Flats will provide much needed quality affordable housing and economic opportunity for residents in a census tract that has one of the state's highest poverty rates (33%) and one of the regions highest concentrations of Black Americans (14.7% vs 5.9% for city). Equity in housing is a critical issue for the City and Jet Wing Flats will directly respond to this need by delivering new, safe, professionally managed housing within an underserved community with deep income targeting. Unique to the development is the partnership with the Southeast Colorado Springs Community Investment Trust (SECIT), who provide residents and community members within zip codes 80910 and 80916 the opportunity to participate in financial literacy classes and to become "community investors" through participation in a low-risk community-owned real estate investment as part of a larger planned development. As community members buy shares of the property, they will continually promote personal wealth and regional economic growth. Southeast Colorado Springs Community Investment Trust (SECIT) is designed to help individuals in traditionally low-income communities build financial awareness and confidence to shift their mentality from an "owing" to "owning" mindset. Through their investment, residents will own the planned commercial building and receive dividends from business owners/tenants of retail space. Additionally, Free onsite financial literacy courses will be offered through the SECIT.

   Greccio Housing also offers a wide array of services to its residents through the Resident Resource Center, including eviction prevention, food security resources, financial literacy training, budgeting workshops, and first-time home buyer classes. Nearby, Colorado Springs Works, located 2.4 miles away at 1652 S Circle Dr, provides additional job center and career counseling services. The Sand Creek Library also contributes to residents' career advancement with programs covering English language proficiency, computer skills, adult basic education, and guidance on public benefits. A Career Navigator office is available onsite to assist with career exploration, job search strategies, resume building, interviewing skills, and personal coaching. Tenants will benefit from supportive services provided by Family Promise, such as financial education and credit counseling, leveraging their extensive network of resources to support those in need. The combined efforts of Greccio, Pikes Peak, the Community Investment Trust, and our supportive services through Family Promise will offer Jet Wing Flats residents unparalleled access to all types of support at their disposal and according to their individual needs. Coupled with other nearby resources, this site is fully equipped to ensure tenant success and economic mobility.

10. For acquisition/rehab or rehab projects: N/A

4% housing tax credit application narrative

Project Name: Link and Pin
Project Address: 4159 Fox Street Denver CO 80216

Link and Pin is a proposed 270 unit development located at the Fox Street rail station in downtown Denver. Link and Pin will provide critically needed affordable homes in a rapidly gentrifying area of Denver. Additionally, these units will have direct access to the light rail, enabling residents to access employment/educational opportunities across the Metro area. Link and Pin will provide NECO passes to all tenants to encourage ridership and increase affordability for tenants. Link and Pin delivers a significant number of units in a very efficient manner on a site directly adjacent to transit and in an area of the city that has market rate housing developing on almost all remaining parcels. These affordable homes are critically needed and the time is now before this transit oriented site is lost to market rate development. If this project is not awarded LIHTC in this round, the hard won car trip allocation will be lost and might not be awarded to another affordable development.

Location

Link and Pin's location in Qualified Census Tract (QCT) provides excellent access to public transportation and arterials and as well as access to shopping and services. The development will be within .5 miles of a convenience store, neighborhood shopping center, elementary school, bus stop, light rail station, medical clinic, head start, park and recreation center, and within one mile of a grocery store and library.

Population being served, bedroom mix and AMI targeting

Link and Pin will serve households with incomes from 30% AMI to 80% AMI in studios through three bedrooms, meeting needs at every level. Half of the units will serve households at 50% AMI or below and 11% of the units will serve households at 30% AMI. The development will also serve an additional 15 households with a disability through the DOH administered Section 811 voucher program with services provided by Family Tree (more detail below).

Unit and project amenities

Link and Pin units will have wall air conditioning, blinds, luxury vinyl tile floors, ceiling fans, coat closet, refrigerator, stove/oven, dishwasher, microwave and disposal. The development's common amenities will include on-site management, laundry facilities on every floor, bicycle maintenance/storage, a community room, exercise room, picnic area, dog run/park and package holding area and multiple roof decks. For security features, it will have limited access entries, surveillance cameras and an intercom-buzzer entry system.

Detail type of construction

The building will consist of Type 1 non-combustible materials. Foundation will consist reinforced concrete spread footings and column pads. The building skin will be a mix of stucco (70%), vertical metal siding (16%) and metal panel (14%). Roofing will be TPO membrane and green roof landscaping. The proposed building will consist of two stairwells with roof access and elevators to provide access to roof. There will be two elevators, one of which will be sized to accommodate a gurney. The two stairs, north and south that discharge directly to the exterior. The north stair will go all the way to the roof. The ends of all corridors have windows looking directly out of the building.

Access to public transportation within one-half mile of site and job centers and opportunities for economic mobility;

The site provides exceptional access to both transportation and job centers. Link and Pin is directly adjacent to the Fox Street light rail station. Residents can ride the light rail from this location to Union Station in Downtown Denver, Wheat Ridge and Westminster, and to connections to other routes that travel to the northern and southern Denver suburbs, as well as Aurora. Train service is available every 30 or 60 minutes, from early morning until midnight, seven days a week. Additionally, Fox Park is being developed just blocks from the site and will create thousands of new jobs in the development which includes a hotel, restaurants, retail, fitness centers and galleries (discussed in greater detail later)

Description of energy efficiencies – Link and Pin will be all electric and include solar power.

To achieve Denver 2022 IECC compliance and NGBS Gold certification, the current design approach includes several high-performance building systems:

- Packaged terminal air source heat pumps
- 96% efficient gas condensing water heaters
- Energy recovery ventilation
- Low Power LED lighting package and ENERGY STAR Appliances
- 15% EV Installed and 45% EV Capable Parking Spaces
- Low flow plumbing fixtures (WaterSense or better)
- Water-wise landscaping:
    - Landscaping will include only native or adaptive, drought-tolerant vegetation as well as an efficient irrigation system.
    - The project will limit irrigated turf grass to only those areas that provide recreational benefits to the community or are a part of vegetated and/or structural controls of stormwater management systems.
    - The site's landscaping will prioritize passive strategies that enhance the stormwater management capabilities and climate resilience of the site.

Financing

The development will be funded by equity from the sale of Federal and State LIHTC's as well as 45 L energy credits, City of Denver HOST funding and Colorado Division of Housing funds. Additionally, we have made application to CDOH for fifteen 811 vouchers and the increased income enables the project to take on more permanent debt.

Special Needs Population and Trauma Informed Design

If awarded 811 vouchers, Link and Pin will house fifteen households with special needs, identified as eligible by the Community Access Team at CDOH. Workshop 8, our architect, has recently participated in trauma informed design training with ShopWorks and they are taking those "lessons learned" to apply them to Link and Pin. Rainier is thrilled to have identified Family Tree as their service partner as Family Tree is an experienced provider of services and works with 811 voucher holders in multiple LIHTC properties. The comprehensive case management will be fully funded through project cash flow as approved by DOH.

Pulling data from previous focus groups that both Family Tree and Workshop 8 have held with people who have lived experience, trauma-informed design elements have been integrated into the building design at Link and Pin. Some of these include: separate laundry facilities on each floor; community space that includes a lobby, mail area and bike racks that are accessible and safe; a fitness area and "maker" space; allowing pets so that people can continue to have their animals and not have to feel they need to leave them behind (appropriate relief and wash areas will also be in place); access to staff in offices who are trained in trauma-informed care and have strong experience working with people who have disabilities; the connection with nature and the outdoors with excellent rooftop decks on the 6th and 12th floors that provide a space for serenity and calm. There will be a designated smoking area outdoors that is in accordance with state law (25 feet away from an entrance to the building). There is also an outdoor ground level courtyard in the center of the U-shaped building. Trash and recycling rooms will be available on every floor so people with mobility issues do not need to leave their floor to dispose of their trash. In accordance with City & County of Denver policies, all of the public-facing restrooms will be gender-neutral.

Services for Residents The most recent homeless PIT survey documented a 31.7% increase in homelessness. Those who are new to homelessness rose sharply, from 2,634 to 3,996. Families experiencing homelessness for the first time more than doubled since 2022. These are not necessarily the chronically homeless but households that are losing their housing due to increasing rents. An award to Link and Pin will provide 37 unsubsidized units at 30% AMI and below and another 75 units at 50% AMI and below, over 110 very affordable units will be added to the market.
To keep these very low income households from falling out of housing, Link and Pin will provide supportive services to all residents. Family Tree will provide a service coordinator position utilizing a trauma informed and client centered approach. Services may include light case management, advocacy, information and referrals, and crisis assistance. Additionally, Family Tree may provide referrals to county benefit technicians, disability benefit navigators, and vocational rehabilitation counselors for education and employment assistance and collaborates with substance abuse treatment and mental health service providers to provide streamlined access to services for our program participants. This position will also be fully funded from cashflow as shown in the application. Rainier believes this is critical to help extremely low income households maintain their housing.

Describe the bond financing structure and include the following:

Total amount of bonds with a breakout of construction period bonds vs. permanent bonds Total bonds will be $47,500,000. Construction bonds are $16,250,000 and permanent bonds are $31,250,000.

Bond issuer and volume cap provider CHFA will provide both bond cap as well as acting as issuer.

Lender and bond sale structure The lender will be Deutsch Bank and it will be a private placement construction to permanent structure.

Portion of bonds that will be tax-exempt and taxable $44.18 million will be tax exempt (52.5% of aggregate basis) and $10.82 million will be taxable.

Projects serving Special Populations
While Link and Pin will not have a set aside of 25% of the units for special needs, we have applied for 15 811 project based vouchers (6%) from DOH and we structured the development, both design and services, assuming we will serve those households.

Market conditions
The market study states the capture rate for the development as 27%. These capture rates are mitigated by the documented strong demand for affordable rental housing in the PMA, as illustrated by the 95% occupancy rate at the surveyed Class B LIHTC properties in the PMA, most of which also have waitlists with 62 to 2,000 applicants. Further, Link and Pin's proposed 60% AMI rents are 35% to 50% below the surveyed weighted average Class B market-rate rents, its 70% AMI rents are 23% to 41% lower and its 80% AMI rents are 12% to 32% below, all of which provide a good value.

Proximity to existing tax credit developments
The PMA has 15 LIHTC projects containing 816 income-restricted units. Of these, three are age restricted projects with 182 units, two are PSH properties with 116 dwellings and 11 are non-age restricted properties that have 518 units. Link and Pin's non-subsidized units will compete directly with 509 of the non-subsidized family tax credit units that are comparable in terms of target market and income restrictions, while its 15 subsidized units will compete with the nine family subsidized units.

Project readiness
Rainier has worked on the design of the project to meet the requirements of the zoning overlay for over two years. Workshop 8 Architecture and Kimley Horn consultants have been integral in creating the current development plan. Link & Pin received full Concept Approval from the City of Denver on 2/16/2023. The development team has submitted our package for Site Development Plan approval and have been through two rounds of corrections. Rainier is moving forward to complete construction drawings and receive a building permit approval as quickly as possible. We have

submitted our project to City of Denver Affordable Housing Review Team in order to expedite the permit review and approval process.

Overall financial feasibility and viability

This project has strong local support from the City of Denver and the Denver Housing Authority including grant funds, expedited approvals and property tax exemption. The underwriting is conservative and Rainier is deferring a significant portion of its developer fee as well as pledging funds for service provision. The State credit ask is a very efficient request for provision of 270 units with significant affordability and units provided for a special needs population.

Experience and track record of the development and management team

The Rainier team has a combined 80 years of multifamily development experience. Avenue 5 has 85 LIHTC properties under management and a team experienced with compliance and average income. Rainier selected W8 as the architect over two years ago and they have both been working tirelessly to bring this site to fruition. W8 has provided excellent guidance as well as evaluating the construction and design options. Milender White has been in business for over 28 years and has built over 3,500 units of affordable housing. Please see resumes for details on the development team's extensive experience.

Project costs

Rainier has been actively working with Milender White for over one year to bring this project to fruition. We have been diligently working to value engineer the cost of the project down but still deliver a high value finish. We have designed a high density building which helps keep our cost per unit down. This also allows to deliver a building with a solid list of tenant amenities like a rooftop decks, fitness center, spaces for job training, child climbing area and dog friendly zone.

Site suitability

Link and Pin is being developed just blocks from Fox Park, a 41-acre development site at the intersection of Interstate 70 and Interstate 25, near 41st Street and Fox Street in the western Globeville neighborhood. It will transform the former Denver Post's 327,000 square foot printing press into the 600,000 square foot World Trade Center Denver complex. Components of the campus will include a cultural center, International Exhibit Hall, a boutique hotel, performing arts theater, conference center, global and local restaurants, retail, a fitness center, maker space and art galleries. The project will include 2.2 million square feet of office space and 3,400 residential units in its four phases. The Denver Botanical Gardens will design and maintain 14 acres of public parks and open space, an outdoor amphitheater and a nursery. Rainier's ability to secure a site in this rapidly developing neighborhood and provide a significant number of affordable units is a significant achievement. There are eight market-rate and market-rate/affordable properties with nearly 2,100 units planned or under construction within .5 miles of Link and Pin that are expected to be complete between the fall of 2023 and the end of 2025. Link and Pin is the only affordable development currently slated for the PMA.

Describe any requests to waive underwriting criteria. n/a

Address any issues raised by the market analyst in the market study. The market study had no recommended changes and ranked the project highly across all categories. However, they did note the units are slightly smaller than comparable units. Rainier believes that the units are designed to current market and LIHTC design standards with 9 ft ceilings and large windows that will make the units live larger than they appear on paper. Building smaller units is a way to still be competitive while being as cost efficient as possible. Older comparables are larger because it was cheaper to build and financing costs were lower. Affordable developments need to be able to evolve in this challenging environment.

Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

Please see attached narrative.

Cost Drivers/ Cost Containment

The additional building height has allowed us to add units but also requires a Type 1 construction which is a higher cost of construction. Rooftop decks also add cost but we feel this will be a valued amenity by the tenants. We are considering the exterior skin and opportunities to control cost while delivering a strong design statement with the finished building. Stucco is a reasonably priced material that provides options to add texture and color to the building.

Community Outreach

For almost two years we have worked in true partnership with the property owner to move Link and Pin forward. The Dufficy family has owned property and businesses on Fox Island for more than a generation. Their support has been key in our ability to make the project viable. The Dufficys also contacted the then local City Council member to ensure her support for our development when we first went under contract. Fox Island has a unique zoning overlay that limits the number of daily vehicle trips allowed for a new development project. In order to be successful, we have been engaged with Chris Nevitt in the Mayor's office over the entire course of our pre-development work. Chris and his office have ultimately been very supportive of our project which allowed us to receive the trip allocation needed for full Concept Approval from City of Denver Planning. Lastly, we published a notice and held an online public meeting requesting feedback on the project. No objections of any kind were raised at the meeting.

Promoting equity as well as economic mobility for residents.

These units will have direct access to the light rail, enabling residents to access employment/educational opportunities across the Metro area. Link and Pin delivers a significant number of units in a very efficient manner on a site directly adjacent to transit and in an area of the city that has market rate housing developing on almost all remaining parcels. The above referenced Fox Park development will create thousands of new jobs over the next several years at a wide range of opportunities at the site only a few blocks from Link and Pin.
Additionally, this year we are working with artist Daniel Hernandez who will paint a mural on the south side of the building that promotes diversity and community (see image of the potential mural).

Since our 2023 application, Link and Pin has:

- Submitted the plans to planning for Site Development Plan approval w AHRT.
- Committed to making the project all electric and adding significant solar power.
- Received a letter of support from the Mayor’s Office
- Received a letter of support from Councilmember Watson’s office

Attachments
Family Tree Brochure
Environmental Review Narrative
Parking Study

4% housing tax credit application narrative

Project Name: Maiker Uplands

Project Address: 2880 W. 88th Ave, Westminster, CO 80260

Executive Summary. The Adams County Housing Authority dba Maiker Housing Partners ("MHP") proudly submits an excitingly unique mixed-use residential project, located in the Uplands master planned community near Federal Blvd & 88th Ave. in Westminster, CO. As per our tradition, "Maiker Uplands" is submitted as a temporary name for application purposes. Upon award Maiker will engage with our stakeholders to create a name that honors the Westminster community, while celebrating the members that will turn these units into homes.

The single-phase community will serve households earning 30%-70% AMI and will include 18 units for the Intellectually or Developmentally Disabled special population ("IDD"). These 18 units will be the first in Colorado to be designed following "The Kelsey Inclusive Design Standards", a voluntary design certification for special population communities. The 70-unit building will contain a ±7,389 ft^2 Community Service Facility: a new Adams County Head Start preschool, providing free education and meals to children from low-income families. Maiker Uplands will utilize Zero Energy Ready Homes Certification ("ZERH"), all-electric MEP infrastructure, EV capabilities, solar panels, and water-smart landscaping to embody the next generation of sustainability.

Our ambitious and community-centric vision began with a challenge to identify the needs of local families and special populations. These needs turned into a long list: the lack of dignified affordable housing options in Adams County; the generational wealth gaps still plaguing us from the past; the gentrification of a historic Latino population being priced-out of the area; the near-zero lack of independent units available to the IDD community; the "one-size-fits-all" approach of special population design; the lack of low-income inclusion in typical master plans; the typically-outdated public infrastructure surrounding affordable communities; and the undersupply of quality preschool education to low-income families—the unavailability of which, statistically, correlates to a lack of mental, social, and emotional readiness and to less high school degrees.

Maiker Uplands became a plan to help others conquer these everyday challenges of past, present, and future: a project using each dollar optimally in a single building, to make a widespread impact and do the most good. When combined with Maiker's demonstrated experience in self-sufficiency programs, financial coaching, job workshops, and other engagement events, we are fully confident Maiker Uplands will be the start of something special.

Necessity. The August 2024 round represents the last chance to conclusively realize this building's full potential. As noted in the prior application, there are factors involved that motivate a start in 2025 and a completion in 2027. After some negotiations and good-will support from our Maiker Uplands partners, we can proudly say our six-month delay between applications still renders this project fully feasible.

Indeed, as mentioned in the prior application, certain features are subject to removal upon a delay. Not hitting the 2025-2027 window particularly affects City & County financial enthusiasm, in part due to the NSP program and Proposition 123 commitments. (Both sources are required to start construction or at very least provide ZERH and the all-electric heating/plumbing required.) A delay also misaligns our schedule with that of the public sewer main; this would result in increased site work, insurance, and title costs. Maiker furthermore needs to capitalize on an anchor tenant like Head Start—who is a perfect fit for a walkable CSF serving Maiker Uplands and Overlook at

Uplands. Finally, there is of course the bigger-picture implications for the families of all incomes: Maiker Uplands is vital for the front-range, because 1,176 market-rate housing units cannot be built until 300 affordable units are developed. *Please see the Project Necessity slipsheet for details*.

Unit Mix / Local Synergy. MHP's unit mix has been optimized to fit the current market data and targets 30%-70% AMI families and IDD special populations. Maiker is providing 12 Project-Based Vouchers for the 18 IDD community. The remaining 6 units are at 30% AMI to match Medicare income, recommended by service providers. IDD residents may also use independent vouchers for these units if they have them. All IDD units & common areas will meet The Kelsey Essential Certification, see subtopic. IDD units will be dispersed evenly with family units to facilitate friendships and an inclusive community.

Unit Mix				
AMI	*1BR*	*2BR*	*Total*	*Pop*
30%	6	-	6	I/DD
30%-PBV	11	1	12	I/DD
40%	8	3	11	Family
50%	11	8	19	Family
70%	12	10	22	Family
Total	48	22	70	

1 & 2-bedroom units were chosen to cost-effectively meet the 35 unit/acre max density, to synergize with the nearby Overlook at Uplands, to match I/DD community preferences, to accommodate young families with the most potential for transition, and to match the PMA, where 70% of Westminster households are comprised of 1-3 people. See Narrative Question 2 (iv.) below for the symbiotic culture between both developments.

Location. Maiker Uplands finds itself at an epicenter of major career hubs, being 20 minutes North of Denver and, 25 minutes Southeast of Boulder, and 15 minutes Southeast from Broomfield. The parcel is along the Federal Blvd commercial corridor and is easily connected via US-36, I-70, & the I-70/I-25 interchange. A bus stop is 400' away and cyclists may choose to ride to the Westminster RTD rail station. The village mobility hub will offer a shuttle service, rental bikes, scooters, and Zipcars. Walkability will be a main appeal with bountiful parks & bike paths, village center amenities, community spaces, retail shops, restaurants, and protected views.

MHP has an immediate opportunity to build this community while new market-rate developments concurrently price-out existing populations. The 234-acre Uplands Master Plan has started construction and anticipates 2,500 total units of diverse product. The Master Plan will provide 3,200 permanent jobs in retail/office/institutions; walkable commercial & mixed-use shops; bike-friendly multi-use trails; a mobility hub for transportation; and 47 acres of public parks and corridors to preserve mountain views. Our 2.173-acre parcel within the Plan grants unique integration with all residents and prospects nearby. Built in a historically Latino community and Qualified Census Tract 93.20, Maiker Uplands shall retain this community's identity and provide an attractive destination with opportunity to blend with other income levels.

Amenities. Generous onsite amenities include: outdoor courtyard (with tables, grills, greenspace, trellis, fireplace with seating, and art centerpiece); a rooftop patio; a community garden; a fitness room; a sensory garden walk path, a top-floor multi-purpose room; a community lounge and kitchen; a dog park; tie-ins to future walking and bike trails (accessing Westminster and Hyland Hills greenspace & sports fields); a 4,000 ft^2 playground (joint-use by residents & Head Start), and an adjacent 5-acre City park. Offsite amenities are listed in the Location section.

Community Services Facility ("CSF"). Maiker is excited to take an ODP's commercial requirement and turn it into a ±7,389 ft^2 CSF, to be leased by the Adams County Head Start pre-school program ("HS"). Enrollment is available to all children aged 3-5 from low-income families in Adams County. All educational programs (including meals) are free of charge. Funding for the HS program is entirely separate from Maiker. The Head Start website references several studies showing how monumental preschool education can be, and how early reading and social teaching can shape a student's future. Head Start anticipates a capacity of 10 employees with 80 students.

MHP will deliver the ±7,389 ft^2 CSF in "core and shell" or "whitebox", estimated to cost \$100/ft^2, along with a ±4,000 ft^2 fenced area for a playground. Head Start will construct & pay for its own tenant & landscape improvements and is responsible for own insurance, upkeep, and utilities. Costs to MHP include minor overhead and utility main maintenance. Benefits for MHP include use of the playground by residents with similar-aged children, as well as 10 priority enrollment slots for residents (which revert if unused). MHP has extended this priority privilege to Overlook to encourage more local students, which they greatly appreciated. The lease term will be 10 years and renewable; we envision an anchor Head Start preschool like at Maiker's Creekside Apartments.

Head Start has completed DD plans and submitted their ODP to the City for comments. Their manager and architect have attended MHP's weekly design meetings, we have a drafted lease, and joint discussion is regular between teams. HS is on-time and desires to start TI concurrently with Maiker, if City allows. Because their capacity & budget needs growth, there is genuine concern that Head Start may leave if this project is delayed.

The Kelsey Inclusive Design Standards. This project will be the first in Colorado to employ The Kelsey design standards, a list of 300+ accessibility design elements for multiple special populations. Addressing the lack of accessible national housing supply (<6%), The Kelsey offers guidelines for an implementable, progressive approach to creating truly accessible and inclusive housing. MHP will pursue the "Essential" certification via tailored common areas and IDD units. Features include: clearly illuminated/visible entries with changing paving materials, patterns, & textures for circulation & wayfinding; variations in flooring, lighting, ceiling height, colors, & large windows; acoustic paneling for noise; non-slip LVP; pliable light fixtures, easily-seen storage; safety appliance & water shutoffs, and differentiating elevator buttons. See IDD Narrative and attachments, and The Kelsey website.

Construction. The 4-story Type VA building will be constructed in one phase with high-quality environmentally responsible materials for long-lasting durability. Diverse facades with brick, lap siding, fiber panels, and treated steel ensure an appealing look at every angle. Spread footings will be used instead of PT slab for remodeling integrity. Individual HWH with split-system heat pump utilized for efficiency and cost effectiveness. A flat roof for appliances, solar panels, maintenance. Dual elevators & stairwells promote circulation to indoor/outdoor amenities along with windowed alcoves, natural light, full unit balconies, and a rooftop patio with mountain views. Based on 75% CD's the building contains: 77,188 GSF; 46,136 NRSF; & 7,389 ft^2 commercial. Unit layouts and materials are thoughtfully designed for human circulation with a cost-effective luxurious feel.

Sustainability. The all-electric project will meet ZERH Certification and provide an abundance of PV solar panels above rooftops, walkways, and carports. There will be 59 total electric-ready parking stalls: 5 EVSE installed, 15 EV-Ready and 39 EV-capable. Water-wise practices including water-reducing systems, landscape, & infrastructure will be included. Our Energy Strategies include EGC 2020 Plus; 2021 IECC; Xcel Energy Design Assistance; Energy Recovery Ventilation; micro-flooding resilience measures; and environmentally responsible materials with focus on Health Product & Environmental Product Declarations.

<u>1. Describe bond financing structure.</u> Aggregate Basis = $33,122,057. 50% test = $16,561,028

i. Bond Amounts. Total tax-exempt private activity bonds are $17,520,080. We are using that $17.5M amount for our construction. We are using $7,623,534 for our permanent loan. <u>*See Inducement Slipsheet.*</u>
ii. Bond issuer. Maiker, a Public Housing Authority, will issue its own bonds.
iii. Lender and bond sale structure. Our application reflects Wells Fargo's equity numbers, although final lender selection is subject to an RFP. We anticipate private placement / limited partner capital contributions.
iv. Portion of Tax-exempt & Taxable bonds. $17,520,080 in tax-exempt bonds and $6,899,783 in taxable bonds.

<u>2. Identify which, if any, of the priorities in Section 2 of the Qualified Allocation Plan (QAP) apply:</u>

<u>*This subject is further discussed in-depth on the attached IDD Narrative.*</u> This project meets CHFA's priority of serving Special Population tenants and provides 18 units (25.7% of 38 units) for tenants with Intellectual and/or Developmental Disabilities (I/DD). MHP will provide twelve PBV subsidized units (eleven 1-bed and one 2-bed units), and six 1-bed units targeting 30% AMI. Only one 2-bed unit and 30% AMI's were recommended by North Metro, as this is what majority of their IDD referrals require. MHP proposes non-segregated units/amenities and a service plan provided by North Metro Services to promote inclusiveness and independent living in the Uplands for the I/DD tenants. Data from North Metro and Rocky Mountain Services ascertain significant demand. There are only 12 currently available units for independent IDD living in Adams County. North Metro believes 18 units will be "easily filled" referencing data showing a 7 year wait list for residential I/DD waivers.

<u>3. Describe how the project meets the criteria for approval in Section 2 of the QAP:</u>

i. Market conditions. JRES Intelica CRE prepared a Market Study on 7/22/2024, with future Overlook at Uplands units included. There are very low capture rates for AMI's applicable to our unit mix. The capture rates for 30%, 40%, 50%, & 70% AMI's are at 2.4%, 3.6%, 12.8%, & 10.5% respectively. The PMA's overall capture rate is 14.4%.
ii. For apartments in the 50-99 unit size range, the Study notes that Adams County has a 2.8% vacancy rate compared to Metro Denver's 4.3% vacancy for same size ranges. When commingled with all sizes, Westminster has a vacancy rate of 5.6%, which is lower than Metro Denver's 5.8%. Among competing PMA properties, the highest vacancy rate is only 5.2%, and half of the projects in the peer group have vacancy rates at or below 2.2%.
iii. The Study notes "70% of households in the PMA consist of 3 people or less. Therefore the subject's unit mix which incorporates one and two bedroom units should match up well with market demand." After noting an overabundance of 60% AMI units, the Study continues: "the remaining demand for units at other AMIs are very strong. In fact, the residential unit demand for 30%, 40% 50% and 70% AMI units range from 525 to 958 units in each AMI band. The subject property is very well positioned in terms of targeted AMI bands within the PMA".
iv. Proximity to existing tax credit developments. Study notes 8 LIHTC properties within the PMA, but only 4 existing LIHTC properties applicably compete. In all, they contain 502 units with 7 units at 30% AMI, 3 @ 40%, 40 @ 50%, & 50 @ 70%. All properties had historically very low vacancies as mentioned in the Market Study section.
v. Overlook at Uplands is just east of the property, anticipated to include 247 units, being 77 one-bed, 130 two-bed, and 40 three-bed units. Majority (129) will be 60% AMI units. 13 @ 40% AMI (9 1BR & 2 2BR); 40 @ 50% (30 1BR & 6 2BR); 65 @ 70% AMI (13 1BR & 27 2BR). Our unit mix minimizes competition by focusing on the predominant 1-3 person household range, while realizing the higher-demand outside of 60% AMI, as the above capture rates alone can justify. (30%, 40%, 50%, & 70% AMI's are at 2.4%, 3.6%, 12.8%, & 10.5% respectively.) A resident's priority of amenities vs. unit size vs. property operations vs. community size, also folds nicely into the Maiker and Overlook difference. Any competition is overshadowed by the sense of community between both buildings. Overlook's larger units will attract larger families, which suits the Head Start. Maiker's 10 priority enrollment slots and community events will be shared between the communities, with shared amenity potential. Both communities are needed for current demand, and cultivate symbiotic culture regardless of the 300 units needed for housing.
vi. Project readiness. This site is fully zoned for the proposed use. As part of a master plan, ODP approval is also required. On 7/9/2024, the Planning Commission unanimously (7-0) approved our ODP. The PC's recommendation of approval will be heard by City Council on 9/9/2024, being earliest feasible date. Once approved by CC, this project is fully entitled and a building permit can be applied for. CD drawings are paused at 75% until LIHTC awards.
vii. Offsites and road improvements are to be developed by the Seller VPDF Uplands. On 7/17/2024, the City approved their construction documents for improvements along 87th/88th/Decatur Streets. VPDF expects to begin construction on or before August 15th of 2024 (1-2 weeks), and will be ready in March 2025. The park on the east side of our project has been dedicated to the City. The City did not comment on the park's design. In Parcel A, multiple builders have begun mass grading, road improvements, and creating homesites. Offsite infrastructure for Parks, trails, clubhouse, transit station, and other amenities has also begun as part of Parcel A's Phase 1.
viii. Overall financial feasibility and viability. Our model for our $35M project shows a gap of $0.00, although a cash flow loan of $1,074,591 is noted. We anticipate $1,400,000 from Adams County via NSP funds. Westminster is generously offering: HOME $800,000; CDBG funds of $300,000; reduced tap fees by $386,000; and permit fee, building standards, and sales tax incentives. $22.1M in state/4% LIHTC equity. $24.4M construction loan & $7.6M perm loan. Maiker demonstrated its cash reserves to CHFA and ability to provide the cash flow loan. We anticipate alleviating all or most of this amount via Energy Efficiency & EV Credits; Solar tax credits; Solar monthly rebates; down-trending direct costs; 2025 PBV & AMI increases; additional funding applications, and additional value-engineering/cost-reduction methods as found. None of these can be modeled so early in the construction process.
ix. Experience and track record of the development and management team. Founded in 1974, The Adams County Housing Authority dba MHP Housing Partners owns and operates 18 communities and over 2,200 affordable units. The MHP Development team honors this tradition by being a part of four LIHTC rehabs (Overlook at Thornton, Yorkshire, Aztec, and Casa Redonda) and four LIHTC new construction (Alto, Crossing Pointe North, Caraway, and Crossing Pointe South) projects over the past eight years. Casa Redonda and Crossing Pointe South have recently completed construction, and MHP has just begun its remodeling project at Overlook at Thornton.
x. Project costs. $35M total cost. Direct Construction costs are per JHL Constructors, the general contractor. JHL based costs on 100% DD plans with input from 75% CD's. Total hard costs reflect current construction cost

estimates and are expected to be $330,000 per unit (entire building) or $299.93 per square foot. Higher MEP costs due to ZERH all-electric equipment; Higher steel cost for covered walks/parking & elevations. Commercial costs were minimized via a FAR reduction. 1&2-bedroom units with cost-effective layouts were selected to meet max density and to minimize redundancy with sufficient materials to benefit from economies of scale.

xi. Site suitability. A prime location in a new master plan and well-suited for affordable housing. Market Study finds "easy access to neighborhood schools, a major grocery store, a drug store, a post office, and area parks." Local resources range from employment opportunities, schools, shopping and transportation to parks, bike trails, a sports complex, and healthy lifestyle options. The project is proximate to numerous RTD bus routes to connect to a nearby light rail station. Several elementary & middle schools within 1.5 miles. Future mixed-use commercial (rumored to be a grocery store), walking trails, and a City park will also border our project. The slope of the site is also ideal for accessibility and ensuring maximum use for all residents. See Narrative "Offsite Amenities" section.

4. <u>Justification for waiver of any underwriting criteria / DDA basis boost. – N/A</u>
5. <u>Address any issues raised by the market analyst in the market study.</u>
   1) No in-unit washer and dryer. We find individual units are less efficient/economical for smaller units and use more energy/water. Prioritizing other amenities/services outweigh the costs and assures appliance longevity and less repair costs. There are community units on each floor.
6. <u>Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.</u> Pursuant to Phase I ESA dated 9/18/2023 and prepared by Terracon Consultants, Inc., there were no REC's, CREC's, nor SDG's found.
7. <u>Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP for additional information).</u> Higher MEP costs due to ZERH all-electric equipment; Higher steel cost for covered walks/parking & elevations. Direct cost/ft^2 increase due to a ZERH community service facility. Special population common area designs and 18 custom IDD units. Maximized solar energy generation via panels on the roof, pedestrian walkways, and carports. Spread footings rather than PT slab for commercial remodeling. We counterbalanced these costs by constantly performing value-engineering during design and will continue to push for further reductions as they become available. Including so many amenities with special populations and a CSF creates a higher cost, but yields more for every dollar in one single project.
8. <u>Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).</u> We engaged through our neighborhood meetings for our project. The community was generally supportive of our Project and there were notably few residents in opposition. Majority of concerns were related to offsite improvements. One opposition comment was a "food desert" area, however there is a grocery store 1 mile south, restaurants along Federal, and the Seller is hinting at a potential grocery store adjacently south. MHP also held continuing talks with IDD service providers, consultants, and special population designers to maximize comfort and inclusive livability.
9. <u>Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.</u> This property stands against the influx of high-income homeowners driving out the existing culture and population. Many low-income families feel the sting of increased property values with master developers. Our Project provides modern amenities, beautiful parks, regional & walkable local job centers, and the new thriving area to those who normally won't have a chance to join. Instead of forced relocation, residents will have the mobility to benefit from new opportunities and higher-paying local jobs.

   In a historical Latino community, a wide range of target AMI's will ensure a diverse culture in a growingly homogeneous area. Couples and starting families needing a 1 or 2 bed apartment will be able to find a secure home while saving income for the next step. I/DD individuals will find a non-isolating home to live on their own—perhaps for the first time.

   For the broader community, the future Head Start preschool assists low-income families with free education and meals. Preschool correlates to a path of early-reading, social behavior, and emotional readiness to what studies show correlate to high school graduation. MHP's Family Community Vitality program will also provide community organizing with topics such as family self-sufficiency, financial coaching, healthy eating, and job training. Maiker has proven its drive to promote equity and this project will prove it again.
10. <u>For acquisition/rehab or rehab projects - N/A</u>

4% housing tax credit application narrative

Project Name: Park Avenue Apartments

Project Address: 3500 - 3600 Park Ave W, Denver, CO 80216

Executive Summary

The Colorado Coalition for the Homeless (CCH) is pleased to submit Park Avenue Apartments, a proposed new construction, 60-unit supportive housing affordable apartment community using State credits and Federal 4% LIHTCs and targeting chronically homeless households. The property, at 3500 - 3600 Park Avenue West, is in Denver Council District 9, and within a 2024 Qualified Census Tract (QCT).

The site is home to the former La Quinta Hotel and Old West Pancake House and was acquired by CCH in December of 2021, with support from Denver HOST and the CDOH Operation Turn-Key (OTK) funding program. The hotel property currently provides non-congregate shelter, though its operational grant-funded commitments expire in mid-2025 and it cannot operate beyond this date. Regulatory obligations require the site to operate as affordable housing and a redevelopment funding commitment is needed now to avoid default. Further, the building has reached the end of its effective useful life and is deteriorating rapidly. It is urgent that we replace the buildings now by constructing lasting solutions to homelessness in our community, or risk losing this potential altogether.

This project applied but was not awarded credits in Round 1 of 2024. Since application, the team has furthered the development and incorporated key recommended changes, including:

- Redesigned the first floor and lobby entryway for greater visibility and better anticipation of future phased building additions
- In coordination with Denver DOTI, ensure Vision Zero safety audit recommendations near the site are implemented to improve pedestrian safety
- Restructure to better allocated resources, including expanded state credit, to ensure overall financial feasibility of the project

The building is designed as a permanent supportive housing community, using trauma-informed design best practices and incorporating crucial feedback from CCH clients with direct lived experiences to create a design that fosters inclusivity, healing, and joy. Design elements have been reinforced by the team's recent participation in a University of Denver TID study with Davis Partnership Architects, Shopworks Architecture, Group 14, and CCH staff. The main level features exposed wood beams and columns, with open corridors and natural light being illuminated by floor-to-ceiling storefront windows. A welcoming lobby includes front desk reception, secured bike storage, case management and property management offices, views to protected outdoor courtyard, and resident community spaces, including a media lounge, computer lab, kitchen, library, and multi-purpose flex spaces. The flexibility inherently designed in these spaces allow for both large and small group gatherings, and both programmed and informal activities in safe and secure environments. The property also features a rooftop deck space with seating and mountain views. This 60-unit project proposal represents the first phase of residential development at the 2.24 acre site, with a full build-out potential of 200 units.

Park Avenue Apartments is conveniently located at Park Avenue W and Globeville Road in Denver, between downtown Denver, RiNo, and the Sunnyside neighborhoods. It is less than half a mile from the South Platte River Trail, a half a mile from the 41st & Fox Light Rail Station (TOD site), and three-quarters of a mile from a full-service grocery store and pharmacy. The location is served by a major RTD Bus Route (#38) and the property will provide RTD Neighborhood ECO Pass to each resident. The site also has great access to protected bike routes and trails and boasts a bike score of 85, thirteen points higher than Denver average. Finally, the project is located along a principal arterial road, allowing easy access to nearby job centers, regional attractions and additional services.

The AMI mix is between 30 – 60% AMI, and all sixty (60) units will be 1-bedroom, 1-bathroom apartments with a full kitchen, including Energy Star appliances, fridge, range, microwave, and dishwasher. Units are designed with an open floor plan and situated to bring in natural light and features large storage spaces. Additional ground floor secure bike storage is available, allowing for ease-of-use by residents while minimizing security concerns. Centralized laundry facilities are located on each floor.

Construction includes full redevelopment of the site, including demolition of all structures. The existing non-congregate shelter will begin phase-out upon confirmation of development funding. The property is in the C-MX-8 zone district and is a 61,244sf multi-level building designed at 3 & 4 stories and is a use-by-right. The building is Type V-A construction with spread footing foundations, wood framing, including glulam timber beams and decking, a flat roof with TPO membrane, and an exterior cladding mixture of brick, cementitious panel board, stucco, and metal. The building will have two elevators and two sets of stairs for circulation. Common areas will have Wi-Fi internet access, and individual rooms will have internet and cable connections. The project will meet or exceed 2020 Enterprise Green Communities standards, WELL Building Standard certification requirements, and a rooftop solar array. The project has been accepted into the City AHRT program and has been approved and released from Concept SDP.

Services offered on site are modeled on CSH Quality Standards and will include counseling, life skills training, financial literacy, and crisis intervention. The property features a client-privacy room to host exams or other medical interventions. CCH provides on-site staff dedicated to providing mental health services, case management, and front desk coverage to assist residents and support their housing stability and secruity. Supportive services will be funded through DOH TSS funds, PSH boost developer fee, Medicaid, sponsor fundraising, and cash flow.

Funding sources will include equity proceeds from State credits and 4% LIHTC, a permanent first mortgage and construction financing from FirstBank, FHLB AHP funds, gap funding from both HOST and CDOH, and a deferred development fee commitment. The project has applied for sixty (60) state-funded project based vouchers from the Division of Housing simultaneously with this LIHTC application.

1. Bond Financing Structure:
   - Total amount of bonds requested: $17,000,000; 100% construction period
   - Bond issuer: CHFA; Private placement, 100% of the bonds will be tax exempt

2. QAP Priorities:

This project will serve people experiencing homelessness and is a permanent supportive housing community.

3. Criteria for Approval:

Market conditions

There is significant and unprecedented local demand for housing for individuals experiencing homelessness or at risk of homelessness. The latest 2023 Point in Time count that surveyed 5,818 homeless individuals in Denver County and over 24,000 seeking homelessness services. This development is urgently needed to address this need and provide lasting solutions to homelessness. The capture rate for this project is just 13.1%, and a market study projects a lease rate of 15 units per month, with stabilization occurring within four months of project completion. In all seven market evaluation categories, from market demand to project location, the project is rated 5 out of 5 in all categories except location, which rated 4 out of 5.

Proximity to existing tax credit developments

This project is less than a quarter mile from CCH's Renaissance Riverfront Lofts, an established LIHTC property that is stabilized since 2009. The proximity would allow for shared resources for staff and residents. No impacts are anticipated to existing leased and stabilized LIHTC properties and, evidenced by the Market Study findings, demand far outpaces supply for Permanent Supportive Housing properties in the area.

Project readiness

The project team successfully rezoned the site in 2022 to C-MX-8 to accommodate multi-family development. The project is fully controlled by the Sponsor and no further rezonings or public approvals are required for the development. Design work is being completed by Davis Partnership Architects with pre-construction consulting and pricing by Alliance Construction. Schematic design and project pricing are complete; 100% CDs will be complete in Winter 2024 along with up-to-date pricing. The project has been accepted into Denver's Affordable Housing Review Team (AHRT), and has been reviewed and approved from Concept Site Development Plan (SDP). If awarded tax credits, the project will be eligible for coordinated building permit reviews and further support through AHRT to ensure milestone dates are achieved. This project meets the Project Readiness criteria.

Overall financial feasibility and viability

Project financing is based on the Sponsor's proven Renaissance Development Model that has been successfully implemented in the development of more than twenty affordable, multi-family projects. The model is designed to serve the largest number of special needs and formerly homeless individuals and families, together with the lowest income segment of the community. To accomplish and further CCH's organizational mission, the project incorporates multiple sources of financing and structures financing to cover the cost of development with limited long-term debt obligations, committing cash flow to services and resident support. Soft funding commitments for the Park Avenue Apartments are being requested simultaneously with this application from HOST and DOH, with voucher and services funding being requested through the DOH RFA. The financing, coupled with new PBVs, ensures that CCH can continue to house individuals at the lowest income levels, while ensuring sufficient revenue to cover the costs of operations, management, supportive services, and maintenance.

The CDOH OTK Loan, maturing in 2026, is required to be repaid and was awarded to this site both for its ability to provide immediate shelter and for its development potential; it is critical to award this project and realize the intent of the OTK program. The access to increased tax credit equity, including the expanded state credit, and gap funding resources allows this viable structure to work and will fully retire the OTK Loan. Gap funding is sized per CDOH and HOST published terms sheets and resource expectations. This project has significant support from CDOH and HOST and is financially feasible.

Experience and track record

CCH is a leading developer of supportive housing and service facilities both in Colorado and nationally. CCH maintains a skilled, in-house, 5 FTE real estate development team, which oversees all CCH construction projects including community facilities, LIHTC and NMTC developments, and mixed income, affordable housing developments. In 40 years of service, the Colorado Coalition for the Homeless has (or is in the process of) developing more than 2,400 units of supportive and affordable housing through 23 developments. Our housing approach integrates high-quality housing for homeless individuals and families with services and individualized needs and care. Our quality architectural designs and environmental standards add significant value to existing neighborhoods and cultivate pride and wellbeing among residents and the larger community. CCH is a multiple award-winning organization for its efforts in housing development, most recently being honored with a 2023 Eagle Award and the 2023 ULI Terwilliger Award for development of Legacy Lofts and Stout Street Recuperative Care. CCH has made significant investments in its property management division, housing assistance department and has significantly improved its management and maintenance teams in recent years. With enhanced compliance focus, all of CCH's portfolio is in full compliance with all LIHTC, CHFA loan, and other affordable housing program requirements.

The project development team includes Davis Partnership Architects, a highly skilled and proven local firm with extensive experience in LIHTC developments. Alliance Construction, based in Denver, is a leader in affordable housing construction, completing more than a dozen projects and over one million square feet of affordable housing in the past five years.

Project costs

CCH relies on the experiences and lessons-learned from 23 previous LIHTC developments to control costs throughout the entire project, ensuring efficient use of project sources. Project pricing is based on completed schematic design documents and consultation from third-party general contractor, Alliance Construction, and engineering and design professionals.

Planning for the full build-out in design, engineering, and construction has been considered at this phase and incorporation of larger utilities is designed and priced.

Site suitability

Park Avenue Apartments will be located within Globeville Neighborhood, which includes transportation nodes, local services, commercial retail, places of employment, parks, libraries, places of worship and more. The project is located off Park Avenue, off the I-25 corridor, providing convenient access to bus lines. It is half a mile from the 41st and Fox Light Rail Station (TOD site), providing an additional transit option, and it is less than half a mile from the South Platte River Trail, providing easy bike access to downtown and points north.

4. Justification for waiver of any underwriting criteria, if requesting: N/A

5. Market Study Issues: There are no issues or recommended changes to the project identified by the market study.

6. Environmental Report Issues and how they have been or will be mitigated: A Phase I report identified this site's historic use as bulk fuel storage. A limited Phase II report was conducted to further evaluate the area and found arsenic and lead levels below established EPA and CDPHE clean-up levels. All recommendations from the Phase I report and subsequent evaluations have been included in the proposals including the installation of a Vapor Mitigation Barrier. In accordance with the Environmental Reports and opinion of the Environmental Professional, all environmental issues have been evaluated and addressed.

7. Any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP for additional information): In order to maximize efficiency of time and resources, wet utilities on-site have been designed and priced to accommodate all future phase development on – site. The project intends to realize some cost savings as future phases are planned and executed. Due to its relative proximity to the highway and rail, premium windows, exteriors, and a sound wall are necessary to the project to mitigate noise exposure.

8. Community Outreach: Community outreach for this site began in early 2022 as CCH engaged community members and local organizations on the re-zoning of the site from Industrial to C-MX-8. This process revealed significant community support for a new affordable housing development at the site, as the property was rezoned unanimously, with opposition, and two written letters of support from the RiNo Art District and the Denver North Business Association (DeNoBa). Current community support is evidenced by a letter of support included in the application the District 9 Council Office. No registered opposition has been received to date.

9. Promoting equity and economic mobility for residents: CCH's holistic and proven effective approach to services, housing, and healthcare meet our residents 'where they are' and provide individualized services to promote economic mobility. This project will create a pathway for success to *all* residents. In addition to on-site services, job training, matching and financial literacy education are available to all residents.

4% housing tax credit application narrative

Project Name: The Reserves at Green Valley Ranch Phase II

Project Address: 4991 N Telluride Street Denver, Colorado 80249

The Reserves at Green Valley Ranch, Phase II, represents an exciting next step in building upon the success of Phase I, leveraging economies of scale to meet the continued and significant demand for affordable housing in this rapidly expanding area. This second phase is a proposed 120-unit affordable multi-family development, comprising a diverse range of housing options with thirty-six one-bedroom, sixty-two-bedroom, and twenty-four three-bedroom units, sized at 828, 1,037, and 1,216 sq. ft., respectively. The development will be located on the east side of Denver near DIA and will feature high-quality construction materials, including post-tension slab construction, wood framing, lifetime architectural shingle roofs, cultured stone, and Hardie board exteriors. Taken holistically, both phases of The Reserves at Green Valley Ranch will result in 264 total units that targets all income levels and is tailored to the needs of the community and promoting economic mobility.

Unit Mix & Income Targeting				
Income Level	1-Bed	2-Bed	3-Bed	Total
30% AMI	4	6	2	12
40% AMI	4	6	2	12
50% AMI	7	12	5	24
60% AMI	21	36	15	72
Total	36	60	24	

Phase Two of the Reserves at Green Valley Ranch continues to build on the success of its predecessor by being an integral part of a thriving and expanding mixed-use and mixed-income development. The proposed community, encompassing 8 acres, is part of a 74-acre continuation of the mixed-use Gateway Landing live/work/play master planned development and will be the corner stone of the area because of its connectivity and ability to fill the affordable housing void, allowing for further growth. The proposed community is a critical component of a broader effort to continue to enhance the Pena Blvd corridor, with a proposed 10-acre park adjacent to the site and a 17-acre parcel under contract for a new school campus by Denver Public Schools, both within walking distance. In response to considerable community outreach, the second phase will focus on providing nearly 70% of the units for families in need of affordable housing, aiming to improve the quality of life and opportunities for residents. The clubhouse has been redesigned to be complementary with phase 1 with a multipurpose room to offer various services, such as after-school programming, college preparation courses, homework help, financial planning, and other educational and growth opportunities. OPG is committed to collaborating with local nonprofits to ensure these services are accessible on-site. The landowners and key stakeholders recognized the critical importance of affordable housing in ensuring inclusivity and sustainability of the entire community and ensured that affordable housing was a central component of the entire master plan. This resulted in a development site with unparalleled views to

the west and one that will be connected within a vibrant and pedestrian-friendly environment, complete with green spaces directly across the street, recreational amenities, and convenient access to essential services including the future school site that shall be connected via parks and safe walking access for the future residents.

The adjacent Conceptual Site Plan for the entire master plan highlights the connectivity and the superior location of the proposed affordable housing community, on PA-6. The proposed site has been strategically placed on one of the most central and desirable parcels within the plan. This community-driven approach has resulted in a location that offers residents incredible access to open space, the future school and community-oriented restaurants, medical office facilities and other services both future and already existing.

The Reserves will feature, an all-electric design paired with an advanced energy standard. Specifically, the project will achieve certification through Zero Energy Ready Homes (ZERH) and Enterprise Green Community. To achieve ZERH energy performance, the current design approach includes several high-performance building systems:

- High efficiency cold climate split-system heat pumps
- 2021 IECC compliant envelope
- In-unit heat pump water heaters
- Balanced ventilation with heat recovery
- ENERGY STAR appliances
- Low flow plumbing fixtures
- LED light fixtures
- Programmable thermostats

The entire development team has extensive experience with all-electric design and advanced energy standards, ensuring that the project will meet all sustainability and efficiency benchmarks. Based on our recent experience developing to a similar level of standards at The Reserves at Eagle Point, the design, development, and construction teams have already worked collaboratively to ensure that all the challenges and successes found during that development are incorporated into this proposed community. We expect to be able to achieve success via extensive architectural detailing, design-optimizing energy analysis, trade training, sample unit mockups, and additional site inspections to meet the HERS Score and EPA Indoor Air Plus requirements.

The financial feasibility of the project is significantly bolstered by support from the City of Denver (HOST) gap financing program through a $4,200,000 in subordinate financing as well as the Accelerated State Tax Credit and a partnership with the Denver Housing Authority further expanding the private financing available to proposed development.

The need for affordable housing in this quickly developing area of Denver is only growing and becoming more unattainable for working families that desire a high quality of life near major services and employment opportunities. This is demonstrated by extremely low vacancy (less than 3% across the PMA, according to the market study). The development is in one of the fastest growing areas of the metro area with countless commercial, office and retail developments currently operating, under construction or planned near the site. Despite the success of the first phase of The Reserves, the demand for high quality affordable housing is constant and increasing every day, this community provides an opportunity to build upon proven success to meet the continued need for affordable housing in this area of Denver. The first phase has shown consistent occupancy and a growing waitlist, as of July 1st, the waitlist was over 100 families that are actively looking for homes, all of which would be served by this proposed community.

Bond Financing Structure

It is anticipated that the bonds for this project will be issued by CHFA and privately placed with construction and permanent lenders.

- The total amount of bonds during the construction period is $26,100,000. Upon conversion, $10,710,000 of the principal will be retired for a permanent bond amount of $15,390,000.
- There will not be a taxable tail.
- The construction and permanent lender are identified as Wells Fargo Multifamily Capital, the proposed Permanent Loan Facility would be provided by Freddie Mac under their Tax-Exempt Loan (TEL) Program via an

Unfunded Forward Commitment. This program provides loan proceeds at an efficient cost of capital and reduced upfront costs. This should bring about substantial savings to the proposed community.

Conformance with CHFA Priorities

The proposed second phase of The Reserves addresses a critical community need that complements the priorities outlined in Section 2 of the QAP. Although it does not directly serve persons experiencing homelessness or special populations, it plays a vital role in supporting the broader community infrastructure. By focusing on expanding affordable housing at an established and successful community, the community does present an opportunity to expand the reach of affordable housing within the Denver Metro area and serve a rapidly growing segment of the market before it becomes unattainable due to rapidly increasing land costs. The Reserves will contribute to overall community resilience and well-being, indirectly benefiting underserved groups by enhancing local resources and opportunities near parks, schools, and employment opportunities. This holistic approach ensures that this community aligns with the spirit of the QAP priorities, even if it doesn't fall under the specific categories listed.

Key Criteria for Approval

Market Conditions: Denver faces a significant affordable housing challenge due to rapid population growth, rising property values, and a shortage of low-income housing options. This is especially true in expanding areas of the metro area that are near employment opportunities, high quality schools and commercial areas. The market study reiterates this, "many renters in the PMA are likely rent-overburdened and in many cases may be living in older, average or lower-quality rental units." While the market study notes a higher capture rate for several unit types, the market study indicates that almost 15% of the renters searching in this area of Denver are likely coming from outside this PMA, which is consistent with the demand seen at the first phase of the community.

Proximity to existing tax credit developments: Aside from its predecessor, The Reserves at Green Valley Ranch Phase 2 is located 1.4 miles from the closest LIHTC development, Meadows at Dunkirk which was placed in service in 2016. The proposed development will act as a complement to phase 1 of the Reserves and will help to create a holistic community that offers housing for the underserved populations within the primary market area which will result in a community that is sustainable over the long term.

Project readiness: The Reserves at Green Valley Ranch is well positioned to move quickly from concept to construction. Our development team provides a readiness to proceed that exceeds the standard due to our years of experience, collaboration, and attention to detail long before construction begins. Given the experience the development team has with the adjacent site, Phase 2 exceeds the threshold for readiness to proceed and highlights the ability for a design to move quickly from conceptual to permit submittal. The site is zoned C-MU-30, and multifamily housing is an allowable use, by right. The Development team has had extensive engagement with the City of Denver Community Planning and Development division and has been accepted in to the AHRT Process and has schedule a concept meeting with City Staff to ensure that the property can move expeditiously from award to closing.

Overall financial feasibility and viability: The development team has worked extensively with its financing partners to ensure the most efficient use of all available sources of funds. The combination of support from HOST funding, federal tax credits, tax-exempt bonds, state housing tax credits, and deferred development fee presents a project that exhibits strong financial viability. In addition, and in recognition of the impact of the first phase of Green Valley Ranch and the continued need for affordable housing, the landowner has is selling the property to the affordable partnership at their cost basis as opposed to fair market value, representing a discount of nearly $10 PSF on the land cost and the master developer is providing most of the regional road and utility infrastructure for the community. The development's strong financial viability is reinforced by strategic financing, a substantial land cost discount, and contributions from the master developer for infrastructure, ensuring the project's affordability and long-term success.

Experience and track record of the development and management team: Since 2002, the developer has successfully developed, built, owned, and operated over 55 properties across the Midwest, Texas, and Colorado totaling more than 2,500 units and $500 million in development costs. OPG currently has five operating properties in Colorado; Tabor Grand Apartments in Leadville, and The Reserves at Steamboat Springs, Alpenglow Village and Anglers 400, located in Steamboat Springs, and Reserves at Green Valley Ranch (Phase 1) in Denver, located immediately adjacent to the proposed development. In all, OPG has been directly responsible for the creation or rehabilitation of over 500 affordable units in the State of Colorado all of which have exceeded all expectations. The development team also consists of Dan Morgan and Associates, who have successfully helped countless affordable housing projects receive funding, as well as Jones Gillam Renz Architects who have designed more than 75 Section 42 projects.

Project costs: The Reserves at Green Valley Ranch, Phase 2 is a very high-quality development for the eastern Denver community and will provide a reasonable and efficient cost per unit for the city and region. This community will build off lessons learned from its predecessor and the most recent experience of the development team at The Reserves at Eagle Point. The recent experience with a similar, all-electric community less than five miles away provides for the utilization of established methods and proven subcontractors reducing the likelihood of unexpected expenses and delays. With a total cost per door of approximately $420,000 the Reserves at Green Valley Ranch Phase 2, exemplifies this experience in the local market and the strong partnerships which formed the foundation of this site selection.

Site suitability: Located as part of a highly growing and desirable master planned development, the proposed communities' site is ideally suited to offer high quality affordable housing for decades. Situated directly in the path of growth the numerous proposed and under construction retail, commercial, office and luxury residential properties the Reserves at Green Valley Ranch Phase 2 has an opportunity to provide unparalleled access to services and can provide housing near job opportunities. Overall, the project site is flat and provides immediate access to all necessary utilities and is zoned properly to add to the readiness to proceed of the development. Additionally, our successful experience developing the adjacent site validates the suitability of this location and eliminates uncertainties, confirming that this site is well-prepared for continued growth and development.

Market Study Weaknesses: The Market Study identified that the capture rates within the 60% AMI bracket are somewhat elevated but noted that all LIHTC developments in the PMA reported extremely low vacancy. Given the recent experience with the first phase of this community, the high capture rate for the 60% AMI units is balanced by the substantial demand observed during the project's first phase. Notably, most of this demand originated from outside the primary market area, highlighting a broader need for affordable housing that extends beyond the immediate vicinity. The table shown illustrates how GVR II will bring a balance overall AMI mix. The development has already achieved high occupancy rates and a waitlist for units across all income levels at 60% AMI and below. This strong demand from both local and regional applicants ensures that the significant number of affordable units proposed will be filled, maintaining high occupancy levels, and addressing a critical need in the wider community.

Count By AMI Type

	GVR I	GVR II	Total
30%	36	12	48
40%	7	12	19
50%	12	24	36
60%	10	72	82
70%	50	0	50
80%	29	0	29
Total	144	120	264

Environmental Report Issues

The Phase 1 Environmental Site Assessment concluded there are no Recognized Environmental Conditions for the site.

Cost Containment

There are no unusual features driving costs upward in this project. We can achieve cost containment by leveraging recent experience with a similar product type and using repeat subcontractors, which ensures efficiency and reliability. Additionally, we have opportunities to further reduce costs by expanding the use of panelization with on-site production.

Community Outreach

Community outreach for Reserves at Green Valley Ranch to date has been extensive and is only just beginning and will continue throughout the planning process and community development. Thus far, all the feedback has been supportive, and it is evident that the City of Aurora recognizes the need for high quality affordable housing to be an integral part of the growth of the city. The development team, in close collaboration with the Master development team and Councilmember Gilmore's office, has been engaged in community outreach since September of 2022 to ensure that community feedback is considered for all aspects of the proposed community. We have engaged with several registered neighborhood organizations including Montbello 2020, and the Green Valley Ranch Homeowners Association to solicit feedback and incorporate this feedback into the overall concept. The development team has worked closely with HOST through their Catalytic Project group to ensure that the project meets the priorities established by the City of Denver. Additionally, through extensive engagement with the Denver Housing Authority, the project was recognized for the impact that both phases holistically can have, it was recognized as a "city-prioritized development" supporting the Five-Year Strategic Plan of HOST.

Promoting Equity & Economic Mobility

The Reserves at Green Valley Ranch contributes significantly to promoting equity and economic mobility. By providing affordable housing options for low- and moderate-income families, the community ensures that residents have access to safe, stable living conditions, which is a fundamental component of equity. This stability enables families to invest in their children's education, health, and overall well-being without the constant stress of housing insecurity. In addition, the first phase of The Reserves at Green Valley Ranch utilized income averaging which features units available to families earning up to 80% AMI as well as 72 unrestricted (market) units in a subsequent phase. The integration of these three communities supports economic diversity, stimulates local growth, and offers pathways for residents to achieve long-term stability and upward mobility. Taken holistically, The Reserves at Green Valley Ranch fosters a diverse socio-economic environment, enhancing access to opportunities and resources for all the residents and allows residents that have called Eastern Denver home for decades an opportunity for safe and affordable homes close to their support networks and familiar surroundings helping to strengthen social connections and support systems, further promoting equity.

4% housing tax credit application narrative

Project Name: Rose Andom Residences
Project Address: 5695 N. Elmira Court, Denver, CO 80238

The proposed Rose Andom Residences (RAR) will be located in the highly desirable Northfield neighborhood of Denver at 5695 N. Elmira Court. The proposed Project is located on a 1.93 acre site. It will consist of 80 affordable apartments serving individuals and families who earn between 30% - 60% of AMI, averaging 49.88% of AMI. Providing affordable housing options in the established Central Park neighborhood promotes economic equity and allows individuals and families access to a safe, quiet and amenity-rich community to raise their children while promoting economic mobility. The site is not in a QCT, DDA or SADDA. The site is zoned M-RX-5 and the proposed use and density is allowed by right. The unit mix will consist of 17 1-bedroom units, 43 2-bedroom units, and 20 3-bedroom units. The affordability mix will consist of 8 units at 30% AMI; 15 at 40% AMI; 27 at 50% AMI; 30 at 60% AMI.

The proposed building will be designed to complement the aesthetic of the Northfield neighborhood and meet the Central Park Design Guidelines. Interior amenities will include a group exercise room, a flexible community room including protected play area for small children, on-site property management offices and maintenance spaces, classroom space for programming, offices for counseling and service providers, a dog washing station, bike storage and maintenance area, a generously sized package room with refrigerated storage, computer workstations and two common laundry rooms. The exterior will offer 80 parking spaces (1 space per unit) and a fenced amenity courtyard that will feature a small basketball court, central lawn, BBQ area, playground, raised garden beds, hammocks, game tables, and shade structure with flexible seating. Unit amenities will include central AC, a large storage closet, spacious bathrooms with bathtubs, low flow plumbing fixtures, cable TV hookups, free Wi-Fi throughout the building, window coverings/blinds, laminate plank flooring in the living areas and bathrooms, and carpet in bedrooms. All unit kitchens will feature a pantry, dining island, wood cabinets, laminate countertops, stove and oven, garbage disposal and Energy-Star rated appliances including refrigerator, dishwasher, microwave and in-unit stacked washer and dryer in the 3-bedroom units. The 1- and 2-bedroom units will utilize common laundry rooms. To provide security and a space of healing, the building will be designed using the principles of Trauma Informed Design. The project will offer a part-time service coordinator who will connect residents to supports such as financial, medical, nutritional assistance and counseling. The service coordinator's salary will be paid for from an escrow account that will be created from the Project's Developer Fee and Cash Flow.

This all-electric, 4-story building will have a post-tension slab on grade, with wood framing, a flat roof, and a building skin consisting of brick, lap siding and metal panel. The building will be served by two elevators, internal corridors, and wide, healthy stairwells. The building will be designed to be highly energy efficient complying with the 2020 National Green Building Standard (NGBS) program at a Bronze level, while also incorporating best practices from Enterprise Green Communities. The site is within 0.5 miles of childcare, elementary, middle, and high schools, a park, within one mile of a bus stop, convenience store and shopping center, and less than two miles from a medical clinic, emergency room, head start center, shopping mall and a wide variety of retail stores that double as opportunities for employment.

The total estimated project cost is $36,588,044 ($457,351 per unit). It will be financed using a combination of $15,882,865 of 4% Federal tax credit equity ($0.88); $8,100,000 of State Tax Credit Equity ($0.75); $2,400,000 of HOST cashflow debt; $100,000 grant from Brookfield Properties; $100,000 grant from Denver CASR; $512,000 from Impact Development Fund; and $1,743,179 of Deferred Developer Fee (45.2%; paid back in year 14). H4H will enter into an agreement with the Denver Housing Authority (DHA) to provide state sales, use and property tax exemption to the Project. All project Developer Fee and Net Cash Flow will be placed in an escrow account with the intent to benefit Rose Andom Residences and the mission of Hope 4 HumaniT.

Key reasons why the Project deserves a 2024 award of 4% Federal tax credits and State Tax Credits:

- Premier Sponsor: Rose Andom, Founder and President of the Hope 4 HumaniT (H4H) non-profit and the leading donor for the Rose Andom Center (RAC), wraparound service provider for survivors of domestic violence, is a leading philanthropist and successful business owner in Denver with an impressive resume working for large privately held and Fortune 500 companies as well as owning six McDonald's. She is leveraging her charitable and professional relationships and her business acumen to extend her philanthropy to affordable housing. She has put together a robust Board of Directors comprised of veteran housers and an experienced development team to guide H4H through its first LIHTC project. She has hired an experienced Executive Director who will manage day-to-day operations of the project. She will personally provide all guarantees for the Project.
- Donated Land: Rose negotiated with Brookfield Properties to receive one of the last parcels of land held for affordable housing in the Development Agreement between Forest City Enterprises and the City and County of Denver for this Project. The land cost is $1.
- Administrative General Partner (GP): To ensure there is sufficient support for the newly formed Hope 4 HumaniT non-profit organization, Rose Andom has signed a Memorandum of Understanding with Hope Communities to be the Administrative GP for the Project. As an experienced houser and service provider, Hope will provide advice to the newly formed Board and step in to assist the new non-profit should there be a predetermined reason negotiated and documented in the future Project Partnership Agreement.
- Diverse Non-Profit Board: The H4H Board is made up of (67%) female members and (83%) Black members.
- Experienced Developer and Development Team: H4H retained MGL Partners to "turn key" the Project through the LIHTC financing process, construction, leasing and stabilization. MGL is a trusted, experienced LIHTC multifamily rental developer in Colorado spanning all income levels from deeply affordable to luxury. MGL has developed over 16 LIHTC projects as the General Partner and 13 projects as a Development Consultant. MGL has focused their time and honed their expertise over the past two decades on developing and renovating thoughtful, forward-thinking housing, both market rate and affordable. Other members of the team include: Shopworks Architects, Palace Construction, Brothers Property Management, Mark Berry, Esq., and Rodger Hara.
- Leveraging Unique Partnerships: Through Rose's relationship with the Rose Andom Center, the RAC will hold an Interest List for survivors of domestic violence who are searching for affordable housing options. The RAR Project service coordinator will help connect future residents who are survivors of domestic violence to the RAC for wraparound service support.
- Trauma Informed Design: The building will be designed using the principles of Trauma Informed Design (TID). Shopworks Architecture is the leading national architect for TID and has applied their extensive knowledge on the subject to the site and building design. Shopworks conducted interviews with service providers and survivors of domestic violence at the RAC and incorporated many of their comments into the design of the new building. The TID design will allow the building to be receptive to all individuals and families who have experienced trauma.
- The Project has an Ideal Infill Location: The site is situated in a high cost, high barrier to entry market in the Northfield, one of Denver's most desirable neighborhoods. The surrounding residential community is quiet and rich with recreational amenities offering ample opportunities for peaceful and playful recreation within walking distance of the site. Families will be able to enroll their children in day care, elementary, middle and high school all within walking distance of the site. The site also has close proximity to large, regional job centers.
- Maximizing all Available Soft Funding Sources to Serve the Deepest Need: To achieve an average of 49.88% AMI, the Project is maximizing all currently available sources of soft funds including: the City and County of Denver HOST, a grant from Brookfield, a grant from the City's CASR program, a subordinate loan from IDF, and seeking all applicable rebates for an All-Electric Building from Xcel, the State of Colorado, and the City of Denver.
- Service Coordinator: As residents move in, the service coordinator will interview residents to determine their needs and design the services and programming to meet those needs.

The Project's Sponsor, Rose Andom, spearheaded the creation of the Rose Andom Center that provides wraparound services to survivors of domestic violence. Through her work with the RAC she realized that affordable housing was a critical component of what survivors need to feel safe. She decided to focus her philanthropy on building affordable apartments that can be designed for survivors of domestic violence and other survivors of trauma. To achieve this goal, she negotiated with Brookfield Properties to receive one of the last parcels of land in the Central Park neighborhood of Denver held for affordable housing for $1. Brookfield requires the land to hold 70 units but H4H is proposing to build 80 units to maximize the number of individuals and families that can be served on the property. As a true philanthropist, Rose has directed that all Project Developer Fee and Net Cash Flow will be placed in an escrow account with the intent to benefit Rose Andom Residences and the mission of Hope 4 HumaniT. The escrow will specifically pay for the Project Service Coordinator and the Part-time salary of the H4H Executive Director.

The Project will meet the following priorities and goals of Denver's Department of Housing Stability identified in their 2024 Action Plan and their 5-year strategic plan: it will create 80 units that contribute to Denver's Citywide goal to create and preserve 3,000 affordable units, it will advance equity by expanding access to affordable housing opportunities, it will include family-sized apartments in 25% of units, it offers 10% of units affordable at 30% AMI. Finally, HOST considers this project one of its highest priorities as it is one of the last pieces needed to satisfy the Central Park Redevelopment Agreement.

The Project will provide five (5) Type A, fully ADA accessible units (6.25%) and an additional two (2) accessible units (2%) for persons with hearing or visual disabilities. The balance of the Project units will be considered Type B, to address accessibility issues in the future. All community spaces will be fully accessible. Building security will consist of one main controlled access entry area with an intercom system to each unit and security cameras at all building doors and stairwells. The buildings will be physically situated and architecturally detailed to take advantage of passive heating and cooling opportunities. The building's enclosures will be energy efficient with Energy Star windows and doors, R-30 insulation at the roof, R-20 in the exterior walls, and R-10 at the foundation. Due to the car dependent nature of the site, the Project will offer 80 no-cost parking spaces (1 per unit), including four (4) handicap accessible units. Sixteen (16) parking spaces (20%) will be pre-wired for electric vehicles. If awarded tax credits, MGL will apply to Charge Ahead Colorado for $50,000, the maximum incentive we can request for the 12 EV charging stations the City of Denver requires. Ample on-street parking is also available adjacent to the site on both Elmira Court and E. 57th Avenue. The building will be designed to be "solar-ready", structurally engineered to support roof mounted solar panels in the future. The all-electric features of the building include: centralized Heat-pump water heater, VTACs in units, electric mini-splits in common areas, and energy recovery ventilation systems (ERV) in units. The 1-bedroom unit will average 609 SF, the 2-bedroom 772 SF, and the 3-bedroom 1,120 SF.

1. Describe the bond financing structure and include the following: The total amount of bonds is estimated at $26,710,000 (18,960,000 in construction period bonds; $7,750,000 in permanent bonds). CHFA will be the bond issuer and volume cap provider. ANB will be the construction lender. The bond sale will be private placement. Total tax-exempt bonds are approximately $18,960,000 and total taxable bonds are approximately $9,514,248.

2. Identify which, if any, of the priorities in Section 2 of the QAP: The Project will not meet any of the priorities in Section 2 of the QAP.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:

Market conditions The Project is located on one of the last "frontiers" of Denver; in a city where almost every parcel has been developed, this area presents a unique opportunity to provide homes for individuals and families in a new community with new amenities, schools, and parks. The stability of suburban life is available to the future residents with walkable recreation opportunities, highly rated daycares and schools within 0.5 miles from the site, and growing job centers nearby (DEN, Anschutz Medical Campus, downtown Denver). Despite its suburban feel, the site is just a short drive from key city amenities like the Denver airport, the RTD A-Line, the Denver Zoo, Stanley Marketplace, among many others.

The Project capture rates are as follows: 30% AMI is 16.9%; 40% AMI is 13.8%; 50% AMI is 31.5%; 60% AMI is 57.6%. The combined capture rate is 39.8% which is slightly higher than the existing capture rate of 30.7% (currently exceeding CHFA's thresholds). Although the 50% AMI rate of 31.5%, the 60% AMI rate of 57.6%, and the overall rate of 39.8% are above CHFA's preferred threshold of 25%, all of the required capture rates as a family LIHTC development are attainable because of the following: the existing rate of 60% AMI capture rate of 48.0% is already higher and based on the 1.0% and 4.3% vacancy rates at surveyed family 50% and 60% AMI units, respectively, and prevalent and lengthy waitlists, demand for units at these income restrictions is likely understated. The PMA is forecasted to add 306 renters per year through 2029, and renter growth is not included in the capture rate analysis, per CHFA guidelines. Many surveyed properties had high levels of tenant in-migration to the PMA from throughout Denver, Aurora and other cities in the Denver MSA, or throughout Colorado or out of state. The high likelihood for in-migration will help absorb new the LIHTC supply in the pipeline. Peoria Crossing II, a 72-unit family LIHTC development, will come online in summer 2024 and according to the Aurora Housing Authority, has already received 2,715 inquiries, indicating strong pent-up demand for newly constructed affordable rental housing. The Project's proposed 60% rents are 18%-30% below the Class B market-rate weighted averages, providing a good cushion to market. Most surveyed LIHTC properties are attaining 30% to 70% AMI rents at or near the 2024 LIHTC maximums. Rose Andom Residence's project features are similar to six of the seven surveyed Class B LIHTC projects. Its unit features are similar to two Class B LIHTC developments, and slightly inferior or inferior to the others because they have patio/balconies and in-unit washer/dryers in all units. However, this project offers a very large programmed outdoor amenity space, large storage closets in-unit , washer/dryers in the 3-bedroom units, and is surrounded by extensive recreational opportunities.

Proximity to existing tax credit developments As the master planned Central Park Neighborhood has developed over the past 25 years from its former existence as the Stapleton Airport, a portion of all developable sites were required to be set aside as affordable. H4H's property represents one of the last affordable properties in the Northfield neighborhood to be developed. Because of the master plan agreement in Central Park and the development around the new Denver International Airport, a reasonable amount of affordable housing has been developed in the PMA; there 30 existing LIHTC projects in the PMA and seven (7) in the pipeline. Of these, Prior considers just eight (8) projects to be comparable. The closest comparable property, Central Park II, 0.8 miles from the site was delivered in 2023 and is 100% occupied with a waitlist. The other seven projects range from 2.6 miles to 4.7 miles away. The Class B LIHTC vacancy rate (4.1%) is somewhat overstated due to the rates of 6.0% at Reserves at Green Valley Ranch and 8.5% at Rangeview Apartments. Reserves at Green Valley Ranch has a 250-applicant waitlist, suggesting that its rate will lower as applicants are placed from the waitlist. Of the 19 vacancies at Rangeview Apartments, 18 are for 60% or 70% AMI units, and the project does not have a waitlist suggesting poor property management. Five surveyed LIHTC developments had waitlists with 250 to 556 applicants or an interest list of 75 applicants. There are 714 family LIHTC units in the pipeline in addition to the Rose Andom Residences, however, only 488 are directly competitive in terms of family target market and AMI restrictions.

Project readiness The site is zoned M-RX-5 and the proposed use and density is allowed by right. The Sponsor, H4H, has the site under contract and will purchase the property within 12 months of receiving an award of tax credits. The purchase price is $1. The Project has been accepted into the City of Denver's Affordable Housing Review Team (AHRT) process which will provide an expedited entitlement process. The Project has completed an initial Concept Review with the City of Denver and incorporated the initial comments into the current site design. If awarded 2024 tax credits, the Project will close on the tax credit partnership and commence construction within 18 months of award.

Overall financial feasibility and viability The Project is considered a small project at 80 units, which allows tax credits and Private Activity Bonds to be distributed to more communities and prevents the concentration of affordable units in a few large projects. As a non-profit, the Sponsor is able to access several funding sources and favorable terms typically only available to 501(c)3s such as: Transit Assistance Grant (TAG) funding and 40-year amortization on permanent financing. The most unique feature of this Project is that Rose Andom is setting aside all of the paid and deferred Developer Fee in an escrow account with the intent to benefit Rose Andom Residences and the mission of Hope 4 HumaniT. The Project averages 49.88% AMI with 50 units at or below 50% AMI. The Project has a 1.20 Debt Coverage Ratio and has deferred 45.2% of Developer Fee (paid in year 14). Operating expenses are conservative and derived from several similarly sized and operated projects that Brothers manages.

Experience and track record of the development and management team H4H hired MGL Partners to lead the Project through the LIHTC financing process, construction, leasing and stabilization. MGL is in excellent financial standing and has stabilized all LIHTC projects it has placed in service. In the past 19 years, MGL has developed 16 LIHTC projects with MGL as the General Partner and 13 projects as a Development Consultant. MGL provides reliable, proven affordable housing development and financing expertise primarily to PHAs and non-profit organizations seeking real estate development and finance assistance. MGL Partners' co-founding partners, Greg Glade, Lisa Mullins and Mike Gerber and Development Director, Danielle Vachon Bell, have extensive experience in the development and financing of affordable multifamily rental housing. The development team, consisting of all Colorado-based firms, Shopworks Architecture, Palace Construction and MGL Partners, are highly experienced at developing LIHTC housing. Shopworks has designed over 34 LIHTC projects in Colorado alone and Palace has renovated or constructed 87 projects in Colorado. MGL has a proven record of completing projects on time and on budget. The Project's property management firm, Brothers Property Management, manages over 38 properties. Brothers has a proven track record of marketing, leasing and completing required compliance for affordable housing units on a timely basis, as well as, experience with residents who have experienced trauma. Mark Berry and Rodger Hara have deep LIHTC experience and bring their expertise to the team.

Project costs The Project represents an opportunity to provide affordable homes to individuals and families in Denver, the economic hub of the state, and is also able to take advantage of Denver's low tap fees, efficient parking requirement and affordable housing fund. The land cost is $1, allowing the Project to increase its spending on the all-electric components of the building. The building is designed to solar ready, however, MGL is currently working with Group 14 to understand the best ways to add solar to the building. The Project is able to realize Xcel Energy's current rebate program and will apply for CASR grant program to design and implement an all-electric building. To reduce design costs and offset high labor and material costs, the building will feature efficient unit types and stacked floor plans in a single building. The land is flat, and, as an infill site, has immediate access to all utilities with no need for costly extensions. All parking provided will be surface parking to keep parking costs at a minimum. H4H will partner with DHA as a Special Limited Partner to provide state sales, use and property tax exemption to the Project which significantly reduces construction and operating costs. Overall, the proposed unit development costs are significantly below the CHFA max basis limits.

Site suitability The site is ideal for low-income rental homes for individuals and families; it's located in Denver in an established, affluent suburban residential and mixed-use neighborhood with single family homes, townhomes, day care, educational opportunities, retail and ample recreational options ranging from walking on trails, to tennis courts, to bike parks and community pools. The site's immediate surroundings are townhomes to the west and the south, that range form $250,000 - $700,000 in value, High Plains Park (a large park with a bike park, splash pool, paths, and volleyball courts) to the north, Northfield Sports Fields to the northeast, and an elementary and middle school to the east. Due to its suburban nature, the site has a low Walkscore of 14 with a bus stop about a mile from the site and the RTD A-Line about 2.3 miles from the site. To allow all residents transportation options, the project will have one (1) parking space per unit and a large bike storage and repair area. MGL is working with Northeast Transit Connections (NETC) to provide alternative transportation options to residents as well as applying to the TAG program for grant funding to provide 10-ride ticket books to residents in need. The site is generally flat with no floodplain or wetland issues. The site is zoned for multifamily and has all necessary infrastructure readily accessible for construction.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver. The Project meets all underwriting criteria and requests no waivers.

5. Address any issues raised by the market analyst in the market study. The market study recommended no changes to the Project. The market analyst reflected that the 50% and 60% AMI capture rates exceed CHFA's 25% threshold; however, they further commented that surveyed LIHTC properties had high occupancy, long waitlists and were achieving the maximum allowable rents, indicating that the capture rate is not a reliable indicator of demand. The infill nature of a project in a developed market rate community results in a high capture rate that is offset by in-migration; significant in-migration is demonstrated at all other LIHTC projects in the PMA.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. The Phase I Environmental Review of the vacant land did not indicate any environmental concerns.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. The 2022 Denver Energy Code, one of the most stringent in the state, is driving costs higher on Denver multifamily development more so than other front range cities. The Energy Code requirements have a significant impact on the building envelope, MEP systems, electrical power and lighting systems (including photovoltaic systems), and EV charging infrastructure, all of which are driving the Project to be All-Electric, which has an estimated front-end cost of approximately $500,000. To offset these costs, H4H is seeking all possible rebate and grant programs. More information is attached to this application but the current applicable rebates are: Xcel Energy Design Assistance (EDA) program and the CASR grant funding. MGL is actively working with Group 14 and NETC to determine what other rebates and grants the project is eligible for.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). There has been a significant amount of community outreach, with more planned, for this Project. Shopworks conducted interviews with service providers and survivors of domestic violence at the RAC and incorporated many of their comments into the design of the new building. Through Brookfield, the current land seller, we have been in close communication with the President of the Central Park United Neighbors (CPUN), the local RNO. H4H has agreed to present the Project to their group once the Project has received an award of tax credits. Rose has attended several joint meetings between National Organization of African Americans in Housing (NOAAH) and the Northeast Park Hill Coalition (NEPHC) to discuss the Project and how it can help the local community. Once awarded tax credits, the team will host a community meeting at either the Inspire Elementary or the Denver Green School Northfield to showcase the Concept Drawings and gather community input.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents. This parcel represents one of the last opportunities to provide deeply affordable housing in an established neighborhood with donated land. Providing 30-60% AMI housing options in this established neighborhood promotes economic equity for the entire neighborhood and allows low-income individuals and families access to a safe, quiet, amenity-rich community to raise their children overall promoting economic mobility for residents. Providing a Service Coordinator who will connect residents to local community supports and services further promotes economic mobility.

4% housing tax credit application narrative

Project Name: Sheridan Station East (Phase II)

Project Address: 1080 N Ames Street, Denver, Colorado

Brinshore Development, LLC presents Sheridan Station East, a second-phase Transit Oriented Development (TOD) that will provide 104 units of permanently affordable rental housing for families located in Denver near the intersection of West 10th Avenue and Sheridan Boulevard (the "Project"). As an 8-story high-rise urban infill development, Sheridan Station East will maximize density within 0.1 mile from RTD's Sheridan Station light rail station with over 266 units per acre, while also responding to the strong demand for the adjacent Sheridan Station Apartments ("Sheridan Phase I") which Brinshore jointly completed in 2021. The Project will include 62 one-bedroom units, 28 two-bedroom units and 14 three-bedroom units and serve families earning up to 30% - 80% of Area Median Income (AMI).

The project is located in western Denver in the Sheridan Station "node" which includes RTD's W-Line Sheridan Station light rail station, RTD's parking garage and Sheridan Phase I. The development of Sheridan Station East will realize Urban Land Conservancy's original vision for this TOD and multimodal node. The site was purchased by the Urban Land Conservancy ("ULC") in 2014 to be developed as affordable housing in a TOD location. Located in a Qualified Census Tract (QCT), the site is 0.39 acres and is currently an unused lot. Allowable density for the site is 8-stories or 110 feet and the Project is maximizing this density to offer 104 units. The Project will have twelve units (12%) for residents at or below 30% AMI, 17 units (16%) at 40% AMI, 37 units (36%) at 50% AMI, 22 units (21%) at 70% AMI, and 16 units (15%) at 80% AMI.

Unit amenities include central air conditioning, carpet and vinyl tile flooring, an in-unit washer and dryer, blinds, a refrigerator, stove/oven, garbage disposal, dishwasher and microwave. Project amenities include a community room, fitness room, on-site management, indoor bicycle storage and a lobby seating/gathering area. Safety and security features of the Project include an intercom and buzzer, limited access entries, and security cameras.

Sheridan Station East will be a new high-rise infill building with 17 parking spaces located on site and 40 parking spaces available to residents within the adjacent RTD parking garage through an exclusive sublease for Sheridan Station Phases I and II. All 57 parking spaces will be free of charge. In order to maximize density in this TOD location and build to 8 stories, the building will be non-combustible construction with an all-concrete structure and load bearing metal studs. The Project will have drilled piers as the foundation. Residents will enter the building lobby on the north end of the site which opens onto a plaza connecting to the Lakewood Dry Gulch trail and RTD station or through the garage into the building lobby to utilize two elevators to access floors 2 through 8. In addition, there will be two main stairwells for circulation on the north and south ends of the building. Due to the slope of the site, level two sits at ground level on the south side of the site. Sheridan Station East is designed to meet the National Green Building Standard Bronze Certification level.

Adjacency to a commuter rail station will improve economic mobility by allowing residents to easily access jobs and cultural resources in downtown Denver the entire metro area through the Project's location 0.1 mile from light rail and two bus routes. The W line can connect residents east to downtown Denver and west to the JeffCo Government-Golden Station, while the 51 bus line along Sheridan Blvd can connect residents north to the US 36 & Sheridan Flatiron Flyer route and south to the Englewood D line light rail station. Residents will be provided with free NECO passes so that they can utilize public transit whenever needed at no cost.

The proposed Project financing will consist of 4% Federal LIHTC equity, Colorado State Tax Credit equity, a first mortgage, soft funds from Denver's Department of Housing Stability, and deferred developer fee. The Project will partner with the Denver Housing Authority as a Special Limited Partner for exemption from state sales/use taxes and property taxes.

Sheridan Station East was previously submitted in 2018 as a 9% project. The development team has responded to CHFA's feedback in 2018 and through a 2020 concept meeting and is pleased to resubmit in this 2024 4% and state tax credit round addressing CHFA's feedback:

- Sheridan Phase I opened and fully leased up in 2021 and currently has a 90-household waiting list.
- In response to Denver's strong need for quality affordable housing at a variety of income levels, the team reanalyzed the building design and increased the project size from 50 to 104 units moving from a wood frame to a concrete and steel structure to fully maximize density in this TOD location.
- The Project's unit mix of 62 one-bedroom units, 28 two-bedroom units and 14 three-bedroom units directly responds to the current Sheridan Phase I waiting list which as of July 2023 included 61 households waiting for one-bedroom units, 14 households waiting for two-bedroom units, and 15 households waiting for three-bedroom units.
- The development team tracked the previous residence of Sheridan Phase I households and confirmed that residents moved across the metro and out of state to their new apartment homes. Notably, only 20% of residents moved from within the Primary Market Area.
- The development team analyzed parking demand among Sheridan Phase I residents to appropriately size parking for Sheridan Station East.

Sheridan Station East will fulfill ULC and its partners' vision to redevelop this 10^{th} and Sheridan node into a thriving multimodal hub offering quality affordable housing and economic mobility to its residents.

1. Describe the bond financing structure and include the following:

The project financial structure anticipates that the bonds will be issued by CHFA for a CHFA-bond financed permanent loan. There will be $30,200,000 of bonds issued for the construction period and upon conversion, $17,230,000 will be retired for a permanent bond amount of $12,970,000. It is anticipated that $23,709,992 of bonds will be tax exempt with the balance as a taxable bond.

2. Identify which, if any, of the priorities in Section 2 of the QAP:
    - Projects serving Persons experiencing Homelessness (Section 5.B 5)
    - Projects serving Special Populations (Section 5.B 5)
    - Projects in non-metro counties with a population of 180,000 or fewer (Section 5.B.3.b.)

The Project does not directly respond to these priorities.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
    - Market conditions

The Project has been designed with lower (30, 40, 50%) and higher (70, 80%) AMI levels to benefit segments of the population that have been underserved by the LIHTC program in general and in the Project's Primary Market Area (PMA) in particular. The project has low capture rates across all AMI levels with an overall capture rate of 15.2%.

- Proximity to existing tax credit developments

Sheridan Station East is the second phase to Sheridan Phase I which opened in 2021. The Project utilizes income averaging and will not include 60% AMI units to avoid direct competition with Phase I. Currently, Sheridan Station Phase I has a 55-person waiting list confirming demand for the Project.

- Project readiness

Sheridan Station East demonstrates strong readiness to proceed with significant milestones already achieved. The site is owned by ULC and ULC will lease the site to Brinshore pursuant to a long-term ground lease. The site is zoned C-MX-8 which allows affordable rental housing as a use by right. The proposed building is 8 stories which will maximize the building size while remaining under the height restriction of 110 feet. A Phase 1 Environmental assessment has been completed and there are no areas of environmental concern at the site.

- Overall financial feasibility and viability

Based upon Brinshore's recent experience Sheridan Phase I and Capitol Square projects and our significant experience in the capital markets over the past 30 years and more than 90 successful LIHTC projects developed, sources of potential project funding have been identified, and preliminary discussions have been held with potential participants, including CHFA's Multifamily Lending team, several commercial banks and several tax credit investment firms. Based on these discussions and a detailed review of our financial projections as presented in the application, we believe the combined sources outlined in the table are sufficient to meet the project's expected costs.

- Experience and track record of the development and management team

Founded in 1994, Brinshore Development, LLC is a private firm specializing in the development of mixed-income housing. Brinshore is one of the nation's largest and most successful development firms in the affordable housing market. To date, Brinshore has completed over 90 projects, comprised of approximately 10,000 apartments and homes valued at more than $1.5 billion, including two Colorado projects with another two Colorado projects currently under construction.

ULC is a nonprofit organization that acquires, develops, preserves and manages real estate in metro-Denver for community benefit. In its 20 years of existence, ULC has created affordable workspace for 60 nonprofit organizations and 1,300 units of affordable housing. Property management will be provided by ComCap Management, an experienced and well-known local firm in both the LIHTC development and property management space. ComCap currently manages Brinshore's Sheridan Station I and Capitol Square buildings.

- Project costs

The Project's construction costs have been developed using current, local data generated by Alliance Construction Solutions, an experienced LIHTC contractor, and confirmed by DAE Group, an experienced LIHTC cost estimator. Alliance built Sheridan Phase I and has extensive knowledge of the site conditions. The Project's soft costs have been informed by Brinshore's recent development budgets and the operating budget has been informed by Brinshore and ComCap's comparable properties.

- Site suitability

The Project site was acquired by ULC specifically to create an affordable housing community in this TOD location. Sheridan Phase I has demonstrated strong demand for affordable housing in this centrally located and well-connected location within the Denver metro.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

The development team believes this is an impactful location and a critical time to fully maximize density. We therefore appreciate CHFA's consideration of a waiver request for underwriting criteria in order to unlock this site for high-rise development. Because of Sheridan Station East's urban infill location and the team's goal to maximize density in a TOD location, project will require a waiver to exceed the cost basis limit per unit and utilize the <u>Qualified Basis Calculation</u> for the federal 4% credit in lieu of the Cost Basis Calculation. The Qualified Basis Calculation generates $2,238,526 in annual tax credits and approximately $19,695,089 in federal LIHTC equity for the project. This higher tax credit equity unlocks the financial feasibility of this 8-story high-rise infill building and allows the development team to deliver 104 affordable units.

Because of the nature of this construction type, the project exceeds the cost basis limit per unit. The following factors are driving higher costs on this high-rise project compared to wood-frame or other building types typically seen in affordable housing construction:

- Drilled pier foundations required instead of typical spread footings in smaller buildings.
- Tower crane required for 8-story building.
- All-concrete and load bearing metal stud building structure. This is more costly than standard wood frame or podium plus wood frame. Concrete core walls are required to help with the shear in the load bearing metal stud system. Typical projects use CMU or wood cores which are less expensive.
- The load bearing metal studs require that all non-load bearing walls also be metal stud. Typical affordable project would have all wood walls.
- Because this is a high rise with higher wind loads, we are using a more robust vinyl window and will also require a material hoist. These would not be required on 4 or 5 story projects.
- This building will require a fire pump. Most lower density affordable projects do not require this.
- The high-rise building type requires smoke evacuation and stair pressurization systems to meet fire code. The project will have an upgraded fire alarm system with a fire command center. Typical smaller affordable housing projects buildings do not have these.
- A generator and lighting protection systems are included which increases project resiliency, however these are not typically used on smaller buildings.

- The slope and tight nature of this urban infill site requires shoring on parts of level 1 and an underground detention system. These are not typically used on less-dense affordable projects.

Brinshore and its team believe that it is important to maximize allowable density in this TOD location adjacent to a light rail station and Sheridan Phase I to meet the growing need for affordable housing in Denver. The following tables shows the project sources utilizing the qualified basis calculation:

State Equity	$ 7,648,470
Federal Equity	$ 19,695,089
Perm Loan	$ 12,970,000
Denver HOST	$ 4,250,000
Deferred Fee	$ 1,875,696
Total Sources	$ 46,439,255
Total Uses	$ 46,439,255

5. Address any issues raised by the market analyst in the market study.

None raised.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

None raised.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)

Please see the list included above in question 4. The team has worked to incorporate value engineering in the up-front design and cost estimate and will continue to seek opportunities to realize cost containment throughout the project.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

The development team will be reinitiating outreach previously done for Phase I with area neighborhood groups including Villa Park and WECAN (West Colfax Association of Neighbors). The development team has strong support from the City of Denver and its Department of Housing Stability has provided an LOI included in Section 7.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

Adjacency to multimodal transit promotes equity and economic mobility by allowing residents to easily access jobs and resources in downtown Denver the entire metro area. Residents will be provided with free NECO passes so that they can utilize public transit whenever needed at no cost.

4% housing tax credit application narrative

Project Name: The Stables
Project Address: 10850 East Exposition Avenue, Aurora, CO 80012

Executive Summary:
Grovewood Community Development ("GCD", formerly Community Housing Development Association) plans to develop the site of the former Aurora Horse Stables as a two-phase intergenerational affordable housing community that will consist of 134 total units. Phase I will be 85 family units (the "Project"). Phase II will be 49 Senior 62+ units. The Project's 4.79 acre site is located at 10850 E. Exposition Avenue, just east of S. Havana Street in Aurora, in census tract 801, a Qualified Census Tract (QCT). Phase I will be comprised of 11 one-bedroom units, 56 two-bedroom units, and 18 three-bedroom units. The Project will utilize income averaging with 8 units at 30% AMI, 8 units at 40% AMI, 27 units at 50% AMI, 27 units at 60% AMI, and 15 units at 80% AMI, with an overall average income of 55.6%.

The site is in an underserved area desirable for modest-income households. It is within walking distance of a neighboring elementary school and Aurora's Exposition Park and Recreation Center, with adjacent access to the Highline Canal Trail system. The site's proximity to S. Havana, one half block to the west, provides excellent access to public transportation, nearby grocery stores and other retail facilities, employment opportunities, childcare, and medical services. There is a bus stop located 0.3 miles away on Havana Street. The Light Rail R-Line, accessible two miles away at I-225 at Alameda and Mississippi Avenues, provides additional public transportation to the metro Denver area.

The Aurora Horse Stables, a historic horse boarding and training facility, was established on the site in 1947. It remained under the ownership of the same family until GCD's acquisition in August 2023. Prior to sale, the site's prior owners received several competitive purchase offers from market rate developers. However, they chose GCD to purchase the site due to GCD's proposed use for affordable housing, and intent to preserve and nurture community and the healing attributes of nature that had historically existed there. Project design, including outdoor play areas, community gardens, walking trails, and indoor community spaces will intentionally pay homage to the legacy of the historic use of the site. Exhibit #1 provides site photographs and a link to a video capturing the history of the site.

The vision of The Stables is to create an inclusive, intergenerational campus where individuals, families, and seniors – including those with disabilities and special needs – find a home that nurtures a sense of belonging, community, and access to the amenities and resources needed to achieve their best quality of life. The 4.79-acre urban infill site is in the Rangeview Neighborhood of Aurora. The site size, level topography, and distinctly rural feel provide a unique opportunity to create quality housing with resident amenities promoting active engagement with nature and outdoor spaces. The site was successfully rezoned from R1 agricultural to R4 high-density residential zoning in June 2024. The R-4 zoning allows for considerably more density than can be feasibly developed as affordable housing.

The Project will balance the highest achievable number of housing units while still providing an elevated quality of living through the provision of robust outdoor amenities and indoor spaces conducive to community connection and effective resident service delivery. The Project will consist of a four-story, 85-unit building of V-A construction utilizing wood-framing and concrete spread footings with a level 1 slab on grade. The building will feature two large, activated, and daylit exit stairs and two elevators, plus pockets of daylight designed to break up long corridors. Natural materials and architectural nods to the site's history as a former horse stable are featured in the design. The proportions of material and gabled roof forms will mimic the original stable structure with lap siding and brick materials, rendering a

warm and natural façade. The building's density is achieved with double-loaded corridors. Ground floor amenity is designed utilizing heavy timber to allow for openness, site lines, and easy navigation.
Trauma-Informed Design (TID) will feature prominently throughout the Project. Prior to project design, a TID assessment was completed which surveyed the broader community as well as current GCD residents, program partners, members of the disability community, property management, and GCD staff. Building and site design, materials, etc. will incorporate feedback collected through the TID process. The TID report is included as Exhibit #2.

Consistent with GCD's other developments, the Project will provide modern, energy-efficient, forward-looking living spaces, encouraging healthy lifestyle activities and community building. The Project will meet Enterprise Green Communities sustainability criteria and be electrification-ready. Biophilic design will be incorporated into indoor spaces. Units will have central air conditioning, window blinds, vinyl plank floors throughout, ceiling fans in the bedrooms, refrigerator, stove/oven, garbage disposal, dishwasher, microwave, and in-unit washer/dryer. Many units will include a coat closet and extra storage. The mix of on-site amenities will intentionally support families with larger 2- and 3-bedroom units, many including two bathrooms. The Project will include indoor and outdoor amenities for play and youth programming. Other common space amenities will include on-site management, resident programs and services, computer lab, grilling and outdoor dining area, sport court, playground/exercise equipment, community gardens, and walking trails.

GCD will offer robust programs and services informed through community engagement, ongoing resident input, and demonstrated need. A report detailing GCD's 2024 community engagement efforts pertinent to its nearby Sapling Grove Apartments Community Resource Center is included as Exhibit #3. This report is highly relevant to the Project as it encompasses prospective community resource providers as well as future residents for both projects which are fewer than two miles apart. Specific collaboration with service providers and other nonprofit organizations will be defined following the completion of further site-specific community engagement. Services and program staff will largely be supported by GCD fundraising.

GCD's wellness-based approach to resident services is grounded in an inclusive, holistic program model that supports independent choices to engage with resources that address systemic, economic, social, and racial barriers to maintaining health and desired quality of life. Resident programs are led by GCD's Healthy Lifestyle Director, a naturopathic doctor with expertise in supporting behavioral change to promote healthy lifestyle habits in the face of disparities. GCD utilizes ongoing resident-centered engagement - including resident surveys, community conversations, and focus groups - to identify the needs and wants of residents to guide program offerings. GCD currently partners with several service providers and nonprofit organizations to support programs and resident services at its existing properties. A detailed description of GCD's current resident programs, nonprofit partnerships, Health Strategy, and most recent resident survey are included as Exhibit #4.

1. Describe the bond financing structure:
   - Construction Period Bonds (Tax-Exempt): $22,560,000 – CHFA Risk-share loan (Public sale)
   - Permanent Bonds: $11,395,000 – CHFA Risk-share loan (Public sale)
   - Bond Issuer: CHFA
   - Volume cap provider: CHFA with transfers of PAB cap from the City of Aurora and Arapahoe County
   - Taxable Construction Loan: $6,194,673

2. Project does/does not serve Homeless Persons, persons with special needs, low population non-metro counties. A component of GCD's mission is to serve individuals with special needs, including developmental disabilities, mental illness, and/or substance disorders. However, the Project is not exclusively for any of these populations.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
   Market conditions:
   The market analyst concluded that the Project's unit amenities and unit sizes will be competitive among the surveyed income-restricted properties, and the unit mix is suitable for the Primary Market Area (PMA). The overall capture rate

for the Project is 11.3%. The capture rates for each AMI level are well below CHFA's threshold of 25% due to the strong pent-up demand for rental housing in the Project's PMA. This capture rate does not include in-migration.

Strong market demand is evidenced by the market area's low overall LIHTC vacancy rate (at or near 0%) and high historical occupancy rates, with three of five LIHTC properties surveyed each having waitlists of 100 applicants (a wait time of 5 to 12 years). The market study states that the Project should lease up at an average rate of 20 units per month and reach stabilized occupancy within four months, without concessions. After completing lease-up, the subject should have a stabilized physical occupancy rate of 97%.

Proximity to existing tax credit developments:
The PMA has 19 LIHTC properties for a combined 1,950 LIHTC units. The closest existing tax credit project is Exponent, built in 2018 and located adjacent to the Project. This property offers 30% and 60% AMI units and has no vacancies. The other comparable LIHTC properties in the PMA selected by the market analyst were: Willow Street Residences constructed in 2000 (renovated in 2017), located 1.6 miles away with 2.5% vacancy (offering 30%, 40%, 50%, and 60% AMI units); Fox Crossing built in 1996 (renovated in the 2010s) and located 2.7 miles away with no vacancies (offering 40% and 50% AMI units); Village at Westerly Creek 3 built in 2018 and located 315 feet away with no vacancies (offering Project-Based Rental Assistance and 60% AMI units); Nine Mile Station Senior Living built in 2020 and located 2.9 miles away with no vacancies (offering 30%, 40%, 50%, and 60% AMI units). The five LIHTC comparables in the PMA have a total vacancy rate of 0.6%; and Willow Street Residences, Fox Crossing, and Nine Mile Station all have waitlists.

Project readiness:
GCD purchased the land in August 2023. The site required rezoning from R1 agricultural to R4 high-density residential, which is consistent with the zoning of adjacent properties. The rezoning was approved by City Council on June 10, 2024. The remaining entitlement approvals include site plan and building permits. Site plan approval and final plat are expected to take 9-12 months and 90 days for building permit approval. All utilities, with the exception of natural gas and sanitary sewer are currently provided to the site. The existing Xcel Energy natural gas line will be extended approximately 175' in the Exposition Avenue right-of-way. A new sanitary sewer service tap will be installed at the existing 8" sanitary sewer mainline which is located 26' from the northwest property corner. Construction is anticipated to begin in the fourth quarter of 2025. Arapahoe County has completed the NEPA.

Overall financial feasibility and viability: The underwriting assumptions are reasonable and conservative and are based on GCD's active new construction project, construction pricing from the General Contractor, as well as current indicative terms from investors and funders. The Project is financially feasible due to strong local support from the City of Aurora and Arapahoe County. Support from the City of Aurora includes $500,000 in CDBG for site acquisition, $1,120,000 in HOME and $3.7 million in PAB cap transfer. Arapahoe County provided $2.0 million in ARPA for site acquisition and pre-development and have conditionally committed $272,500 in HOME and $5.0 million in PAB. Patient funding from Impact Development Fund (IDF) includes $800,000 of a $1.6 million AHIF (CO Division of Housing funds) land acquisition loan and $544,000 in Capital Magnet funds. The Recovery Foundation (successor to Arapahoe House – one of GCD's founding partners) will provide a $500,000 grant conditional upon a tax credit award.

Experience and track record of the development and management team: Founded in 1995 by three human services agencies, GCD is a mission-driven affordable housing owner and developer in South Metro Denver. In its 29+ year operating history, GCD has impacted more than two million total lives by daily providing quality service-supported rental housing affordable to low-income households, including residents with special needs. GCD has created a rental housing portfolio of 282 units across nine existing properties in Aurora, Englewood, and Littleton and is currently under construction on the 81-unit Sapling Grove Apartments located in Aurora with an expected completion by year-end 2024.

GCD's portfolio has maintained near-100% occupancy for the past 8+ years, including those years impacted by COVID-19. All existing units in GCD's portfolio are income-restricted for residents with income at or below 30% and 60% AMI.

GCD's under construction Sapling Grove project utilizes average income of 30% - 80% AMI. As a part of its mission, GCD makes available units for residents with special needs, including developmental disabilities, mental illness, and/or substance use disorder. Many receive support services from GCD's human service partners – Developmental Pathways, The Recovery Foundation, and AllHealth Network.

GCD has completed two LIHTC-funded new construction projects - Willow Street Residences (2000 construction; refinance/renovation 2017) and Nine Mile Station Senior Living (2020), both located in Aurora. GCD acquired and renovated seven properties in Littleton, Englewood, and Aurora from 2005 to 2018, four utilizing 9% LIHTC, two utilizing NSP grants, and one fully grant funded. See GCD's resume in the Development Team Resumes section of the application.

GCD has assembled a strong, experienced development team for the Project. S.B. Clark Companies is serving as the financial consultant. 2 Oaks Partners is providing Project Management/Owner's Rep services. 2 Oaks has provided construction management for all eleven of GCD's properties/projects. Shopworks Architecture and Calcon Constructors - both highly experienced and successful with affordable housing projects – have been engaged for the design, development, and construction of the Project. Silva-Markham Partners, a leader in Metro Denver affordable multifamily housing management, will provide property management services. Silva-Markham Partners has effectively and efficiently managed all nine of GCD's properties since 2015. GCD's long-time legal counsel Bill Callison, Esq. together with the affordable housing team at Holland & Hart and auditors Haynie & Company round out the team.

Project costs: GCD has worked closely with Shopworks Architecture, Calcon Constructors, S.B Clark, and 2 Oaks Partners to develop the Project budget. Development costs have also been informed GCD's Sapling Grove Apartments, which is currently under construction. The operating budget was developed utilizing current budget numbers from GCD's comparable properties with additional input from Silva-Markham Partners, property managers for all GCD properties.

Site suitability: Properties nearby the site include multifamily rental housing to the south and north, a private ownership condominium community to the west, and single-family homes further east and north of E. Exposition Avenue. The site is well-served by various amenities, services, and public transit. Services and amenities within a mile of the Project include: Exposition Park and Westerly Creek Trail system (adjacent); Expo Community Center (0.2 miles); Soso's Deli (0.3 miles); Exxon gas and convenience store (0.4 miles); US Post Office (0.5 miles); Sprouts Farmers Market grocery store (0.6 miles); Market Square shopping center (0.6 miles); AFC Urgent Care (0.7 miles); Ironton Head Start (0.8 miles); Bright Stars Child Care & Preschool (0.8 miles); King Soopers grocery and pharmacy (0.8 miles); and Target (0.9 miles). Other nearby services and amenities include Aurora Fire Rescue Station (1.5 miles); Aurora Center of Active Adults (2.0 miles); Medical Center of Aurora (2.3 miles); Community College of Aurora–Lowry (2.5 miles); Eloise May Library (2.5 miles); Town Center at Aurora (2.7 miles); Montclair Recreation Center (3.2 miles); Aurora Police Department and Municipal Center (3.2 miles); University of Denver (7.0 miles). The closest public schools include the Highline Community Elementary School (0.2 miles); Aurora Hills Middle School (1.6 miles); and Overland High School (2.3 miles).

The South Havana Street and Exposition Avenue bus stop is 0.3 miles (6-minute walk) from the Project and is serviced by the 105 bus, which runs north to the Central Park Station (A Line) and south to the Southmoor Station (E & H lines). The 105 bus runs every 15 minutes from 5:00 am to 7:20 pm on weekdays and 10:20 am to 6:20 pm on weekends and holidays (with approximately 30-minute intervals otherwise). The Florida light rail station is 3 miles from the site and is serviced by the H and R lines.

The site is approximately 4.5 miles (12 minutes by car; 40 minutes by bus) from the multi-facility campus that includes the Rocky Mountain Regional VA Medical Center, the University of Colorado Anschutz Medical Campus, Children's Hospital Colorado, and UC Health Hospital. These four facilities employ a combined 27,000 people, making it a major job center of the region. The surrounding neighborhood, which has experienced concentrated investment and development, offers additional employment opportunities.

4. Justification for waiver of underwriting criteria: None.

5. Address any issues raised by the market analyst in the market study. None.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. No RECs were identified in the Phase I Environmental assessment. The NEPA has been completed by Arapahoe County and provided to HUD.

7. Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP). The Development Team has worked collaboratively to reduce the project hard costs by nearly $1.9 million through value engineering. This first phase of the two-phase project will require more of the upfront site work costs due to the Phase 1 project's location on the south portion of the site and City requirements for stormwater management, utilities, and access off Exposition Avenue. The current cost estimate includes one new 3" domestic water meter, but GCD will work with the City to evaluate domestic water consumption with the intent of reducing the water tap size fee to a 2" tap size. Anticipated project savings in excess of $127,000 may be achieved if the tap size can be reduced.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). There has been no local opposition to the Project. GCD discussed its vision for the Project and solicited feedback from more than 20 neighborhood, nonprofit, business, faith-based, and government organizations. All organizations and individuals contacted affirmed the overwhelming need for quality affordable housing in Aurora combined with community-defined services for residents. Outreach included the Cherry Creek School District, Aurora Communities of Faith, the Aurora Chamber of Commerce, the Havana Street Business Improvement District, ARC of Aurora, Gateway Domestic Violence Services, Community College of Aurora, and Aurora PROS. Fifteen local community organizations were made aware of the Project in conjunction with GCD's community engagement process for Sapling Grove Apartments (see Exhibit #3).

   GCD presented the Project at Ward 3 City Council Member Ruben Medina's Townhall Meeting on May 14. The Project has also been discussed with At-Large Council Member Alison Coombs. Both Council Members strongly support the Project development. A community meeting was held April 9 as part of the rezoning process. Letters of support from City Council Member Ruben Medina, Arapahoe County Commissioner Bill Holen, the Cherry Creek School District, Developmental Pathways, the Village East Neighborhood Association, and All Health Network are included as Exhibit #5.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.
   GCD's goal is to provide quality affordable housing and resident programs that create infrastructure for modest-income households and communities to actualize personal and collective power and potential. The Project will promote equity and economic mobility for residents through resident-informed programs that support Healthy Lifestyle choices and combat impediments to equity and favorable quality of life. Programs focus on emergency assistance resources for rent, food, utilities, and transportation; equitable access to education and public and private health and wellness resources; and tools for health and nutrition, language justice and interpretation, and financial education and literacy. Indoor and outdoor community spaces will be intentionally designed to incorporate community engagement priorities of safety and robust onsite health and wellness programming respectful of the anticipated cultural diversity of future residents and staff.

4% housing tax credit application narrative

Project Name: Stanley 98

Project Address: E. 25th Ave & Joliet St., Aurora, CO

Executive Summary: Stanley 98 will be a multi-family housing development at the intersection of Joliet Street and East 25th Avenue in Aurora Colorado. The site is 2.7 acres and will accommodate 75 units of affordable housing conforming to current zoning and enhancing the neighborhood character of Eastbridge Community in the heart of Central Park. This project will be developed and managed by the Housing Authority of the City of Aurora (AHA). AHA has a strong track record responding to affordable housing needs in the community. Building on the model developed at other AHA projects, Stanley 98 will provide housing affordable to those earning 30 to 70 percent of AMI.

SUBJECT SUMMARY									
Unit Type	**30% AMI**	**40% AMI**	**50% AMI**	**60% AMI**	**70% AMI**	**Total**	**% of Total**	**Size**	**Type**
1BR/1BA	4	---	5	9	9	27	36.0%	559	E/4
1BR/1BA	---	4	---	---	---	4	5.3%	668	E/4
2BR/2BA	4	---	5	9	9	27	36.0%	829	E/4
2BR/2BA	---	4	---	---	---	4	5.3%	945	E/4
3BR/2BA	1	1	---	4	4	10	13.3%	1,098	E/4
3BR/2BA	---	---	3	---	---	3	4.0%	1,189	E/4
Total	**9**	**9**	**13**	**22**	**22**	**75**	**100.0%**	**N/A**	**N/A**
% of Total	**12.0%**	**12.0%**	**17.3%**	**29.3%**	**29.3%**	**100.0%**	**N/A**	**N/A**	**N/A**
Source: Project Sponsor									

This transit-oriented development is located within a half mile of a bus stop and offers access and alternatives for residents who do not own cars. Stanley 98 will have ample resident and guest parking, conforming to City standards. However, based on data from our other properties AHA knows a significant number of tenants do not own a car.

Much of the risk associated with building at a new, untested location has been minimized given the successful construction and lease up of Liberty View and Peoria Crossing Phase II. The site has been through an Environmental Phase I evaluation and the assessment has revealed no evidence of HRECs. The site is flat, and utility connections have been established.

AHA believes a successful property responds to both the physical and emotional needs of residents. As such, phase two will provide:

- A diversity of unit types [one bedroom/one bath (31), two bedroom/two bath (31), and three bedroom/two bath units (13)].
- Unit amenities include air conditioning, blinds, carpet, a ceiling fan, coat closet, refrigerator, stove/oven, dishwasher, disposal and washer/dryer in every unit.
- Common amenities including on-site management, laundry facilities, indoor bike storage, a community room, fitness center, computer room, playground, picnic area and resident garden.
- Security features include limited access entries, surveillance cameras, and third-party security patrols after hours.
- Resident support includes a site manager, maintenance technician and our ECHO team. Our ECHO resident services team provides support through the Education, Health and Wellness Coordinator, the Community Engagement Coordinator and the Opportunity and Self- Sufficiency Coordinator. These services are funded by AHA as part of our administrative overhead, they do not appear on the property operating budgets, but are a separate and valued part of our agency's strategic mission.

To ensure that our properties are connected and integrated into the community, we work with the local school district to assist in planning and staffing needs as our projects come on-line. We also provide registration materials to new residents so they may navigate the school enrollment process with greater ease.

The building will feature a spread footing foundation and wood framed structure above with CMU circulation cores for the two stairwells and the central elevator lobby with two elevators. The exterior facade will consist of fiber cement siding, stucco, brick, metal siding and vinyl windows with a TPO roof. The design team and the Housing Authority will ensure a cohesive and complimentary palette and scale to enhance the neighborhood and the residents it serves. Thoughtful design and a commitment to excellence are the underpinnings of our building strategy.

Stanley 98 will be designed for efficiency and sustainability to the National Green Building Standard. It is our intent to make design and system choices that increase energy efficiency, support water conservation and improve indoor air quality. The building will be fully electric and will have EV charging stations on site.

Stanley 98 will be financed with tax credit equity from Enterprise, construction and permanent financing from First Bank, soft funding support from the City of Aurora, and a deferred developer fee. This model represents tried and true partnerships with investors, lenders and governmental entities.

Bond Financing. AHA anticipates needing $20.0 M in PAB for Stanley 98. The source of the PAB will come from three sources: The City of Aurora, Arapahoe County and AHA. The City of Aurora has made an initial recommendation that AHA receive $7.0 M of their 2024 PAB, yet the Council has not formally approved that recommendation. Arapahoe County has recommended that AHA receive at least $ 2.0 M of their PAB for the project. The construction loan will use this $21.0 million in PAB for the tax-exempt portion of the loan, and the remaining $5.5 million will become a taxable tail. This will be a private placement and First Bank; the bonds will be purchased by First Bank as part of a Private Activity Bond Single Close Construction Financing loan transaction and First Bank will also provide permanent financing for the development.

QAP Conformance:

Market Conditions. Stanley 98 is in a rapidly growing part of Aurora with a large, unmet need for more affordable housing. Within the PMA, the affordable vacancy rate 0.3 percent and this figure will not likely change as absorption has outpaced deliveries since the start of 2020. The demand for new units is driven by the lack of existing housing inventory and by robust economic growth in central Aurora. The list of new business endeavors includes the likes of Subaru, Amazon and Shamrock Foods. This economic growth points to an even greater demand for new units, ones that are affordable to the workforce.

Site Suitability. The metropolitan area is experiencing swift and transformative changes due to private and public sector investments. These changes demand an equally robust response regarding housing opportunities. While Stanley 98 will be one of many developments needed to respond to the impacts of this growth, it is primed and ready to be built in a location that serves the needs of residents and provides expansive economic opportunity given its proximity to the DIA corridor.

Proximity to existing LIHTC Developments. In the PMA, 50 percent of all new supply in the pipeline is market-rate housing. Existing affordable properties report low vacancy rates and waitlists. Overall, the PMA has 43 LIHTC projects containing 3,802 income-restricted units. Of these, four are age-restricted projects with 428 units, three are a permanent supportive housing (PSH) project or restricted to veterans with 190 units and 36 are non-age-restricted, non-special needs developments with 3,184 units.

AHA's recent and direct experience leasing up Walden 35 in 2023 and Peoria Crossing Phase II in 2024, reinforce the demand for new affordable inventory. Access to jobs, medical services, schools, shopping, recreation and public transportation define this site. The only weakness is on paper; the capture rates for 60 percent AMI units exceed CHFA norms. While these norms do serve as wise guidance over time, our experience tracking in-migration during the lease up of Walden 35, Liberty View and Peoria Crossing Phase II demonstrate that people will relocate from far and wide to find a new affordable place to call home.

Project Readiness. The Aurora Housing Authority has been playing the long game for decades. The project is shovel ready because of years of planning and investment that led up to this application. We own the land, we have the support of the City of Aurora, we have financing from trusted lenders, we have confidence in our team, and we know that even given the uncertainty of construction pricing that our mission cannot wait for the day when everything is predictably certain. AHA is a team of problem solvers – before, during and after construction. AHA has never defaulted on a financial commitment, has never thrown in the towel when the economy faltered. We have never strayed from our mission and our dedication to increasing the supply of affordable housing in our community.

Experience and Track Record of Development & Management Team. Our team is seasoned and accomplished. Our executive Director, Craig Maraschky has led AHA for 16 years, and was most recently recognized as an outstanding legislative advocate by the National Association of Housing and Redevelopment Officials (NAHRO) in 2021. Dayna Ashley-Oehm leads a development team with seven years at the agency, Martin Petrov just completed the construction of our newest project Peoria Crossing Phase II and has been with the agency eight years, Sarah Buhr was part of the planning and construction of Walden 35 and has over 15 years of experience in affordable housing, and recently, Heidi Mitchell joined the team, adding capacity and perspective to our group. We are fortunate to have Les Arney, our CFO, on our team. Les has been with AHA 16 years and has provided financial consistency and opportunity for the agency. This team adds to its strength the financial consulting of Mark Welch and construction design and consulting from Jake Hopper.

AHA owns and manages 1,041 units of affordable housing in fifteen properties. Of these, 231 new units were brought online in the last two years. Our property operations are led by Torey Dixon, our Senior Director of Property Operations. Cindy Gonzales, who has been with the agency for over a decade, leads property management. Cindy is supported by Meera Dane who is the manager of compliance.

Our pipeline includes 136 new units. This speaks to the leadership of the organization, its financial strength and the capacity of its staff to respond to the growing need for housing in Aurora.

Over the last four years, AHA has worked with the City to amend the zoning code/UDO to include concessions for affordable housing development, and has strengthened our partnership and educational efforts with City departments and elected officials. AHA is working closely with the City of Aurora to implement its new Housing Strategy, which specifically calls out the need for affordable homes available to service workers with proximity to employment.

Project Costs. We are operating in a rising cost environment, and AHA has made design decisions to make this project work financially. We have also stacked our units in an efficient manner within the building, clustered offices and common areas to improve flow and save space.

Our construction estimate came in at $26.4 M. The cost per square foot is a little bit higher than estimates received for Peoria Crossing Phase II (just over $300 per square foot). There is a of additional sitework required by the City of Aurora that is driving the cost higher.

Financial Feasibility. AHA purchased the parcel in 2024, we have documented financial and political support from the City of Aurora, and we have successfully worked with the State of Colorado, Division of Housing for additional soft funding support. AHA is modeling this project using First Bank for construction and permanent lending; First Bank is tried and true partner for the Housing Authority. Finally, we are estimating tax credit pricing to by .89 cents for federal and .72 cents for state. These estimates are conservative and reasonable given current market conditions.

Market Analyst Issues. The estimated capture rate for the 60% AMI units exceeds CHFA's 25% ceiling. However, the market analyst has indicated that leasing up these units is achievable because:

- LIHTC properties in the PMA have consistently high occupancy rates (at or near 100 percent).
- Comparable properties surveyed with 60 percent AMI units had a very low percent vacancy and most of the projects with these units had waitlists.
- Based on the 666 LIHTC units in the pipeline, Stanley 98 should have an average monthly absorption rate of 15 units.
- Additionally, the subject's competitive unit features, project amenities and condition will compensate for its location and allow it to compete effectively for tenants.

Community Outreach. Community outreach will be done as part of site plan approval from the City to move forward, the community development department will be at pre-application meetings.

4% housing credit application narrative

Project Name: The Summit at Granby Apartments LP

Project Address: 23 Pioneer Drive, Granby, CO 80446

Summit at Granby Apartments ("SAGA") will be the first Low-Income Housing Tax Credit (LIHTC) development in Granby, Colorado and it will be developed by the Summit Housing Group ("SHG") to provide 67 multi-family residences in a community that has long experienced a critical shortage of affordable housing.

SAGA's location just south of downtown Granby opens a gateway to abundant employment prospects, exceptional amenities, and modern living conveniences. As Grand County grapples with a growing affordable housing shortage, SAGA provides an innovative solution, aligning perfectly with the community's needs.

SAGA is uniquely positioned for success by the robust support of the town, county, and organizations such as the Fraser River Valley Housing Partnership (FRVHP), Mountain Family Center, and the Grand County Housing Authority. The support of these organizations highlights SAGA's role as a solution for the families of the region. During the public hearings and board meetings held by the FRVHP and the Town of Granby, the project has unanimous approval and support. These endorsements are accompanied by generous financial commitments described below, highlighting the community's dedication to the creation of this project.

<u>Executive Summary</u>

a. **Location** – SAGA's location affords tenants excellent access to the town of Granby, either on foot or by vehicle via Highway 40. This key thoroughfare also provides access to employment opportunities in Tabernash, Fraser, Winter Park, and Hot Sulphur Springs. SAGA is in a designated "Difficult Development Area" (DDA) for 2024. Additionally, the project site is zoned for up to 25 units per acre, allowing for an optimal unit count on the site.
b. **Population Served/ Bedroom Mix –** The project will serve low-income families residing in Granby and the adjacent towns. The application has the unit breakdown per AMI and both gross and net rents per AMI and bedroom count.
c. **AMI Targeting -** This development will cater to households with incomes ranging from 30% to 80% of the Area Median Income. The average rents for SAGA will be 60.00%.
d. **Unit & Project Amenities –** Amenities will include an outdoor communal space featuring barbecue facilities, dedicated raised garden beds, dog run, and playground for our children. Residents will enjoy a community room with a large-screen TV, a fitness center, a Service Provider room, an office equipped with computers and a printer, and electric vehicle (EV) charging station. Each unit features Luxury Vinyl Plank flooring, LED lighting, solid surface countertops, a complete set of Energy Star-rated appliances including a garbage disposal, and in-unit state-of-the-art, all-in-one washer dryers equipped with the latest technology. This innovative design enables the units to consume less than 50% of the energy typically used by standard washer/dryers. Additionally, they incorporate heat pump technology, eliminating the need for external venting and operating efficiently on a 110-volt system. This integration of advanced technology underscores our commitment to energy efficiency and modern convenience.
e. **Type of Construction -** The foundation will employ standard crawlspace construction with a two-story modular design that will reduce the construction time to meet the shorter building season of the mountains. The roof will feature a combination of elevations with a hail resistant membrane and solar panels that will supply a portion of the power needed for operation of the project common areas. The project will include interior hallways with stair access to units. The exterior will be clad in durable low-maintenance LP Siding and Metal. Please See Addendum 1 in supporting documentation for more info on modular construction.
f. **Access to Public Transportation -** The site is conveniently located within 0.4 miles of a bus stop, offering free bus services between Granby and Winter Park every half hour during the winter months and every hour during the summer. A recently completed bike/walk path provides safer and more direct access to downtown. Additionally, an Amtrak station less than half a mile away offers train services to Denver and beyond.

g. **Services –** SAGA has formed a partnership (see MOU in supporting documentation) with the Mountain Family Center (MFC), enabling the provision of various services within the development. These include a food pantry, financial assistance for rent, mortgage, and utilities, a thrift store, nutrition education, dental and vision vouchers, cancer treatment assistance, and diverse children's programs. The Mountain Family Center assists approximately 900 families annually. SAGA will also provide meeting space for the MFC to complete delivery of services to families and individuals within the development.

h. **Energy Efficiencies -** The development is engineered to meet Enterprise Green Communities standards. Units will be equipped with Energy Star-rated appliances and the site will harness solar power for common areas, community rooms, exterior lighting, and EV charging stations, ensuring long-term efficiency and sustainability. This development enables families to have access to clean, healthy, and safe units, that are also designed for them to have an exceptional standard of living. The modular units will be built by Buena Vista, CO-based modular manufacturer Fading West, in collaboration with a General Contractor who will perform the infrastructure and site work.

i. **Financing -** In addition to the federal 4% tax credit and state tax credit for equity, the proposed financing includes the LIHTC, DOH, STC, 45L Credits, Energy incentives, FRVHP funding, Town of Granby funding in the form of local fee waivers. Additionally, SHG has committed to deferring a portion of its developer fee to support the development of the project. Bellwether Enterprise Real Estate Capital will be providing the perm and construction lending using with a 35 year amortization (for the perm) as well as purchase the bonds to be issued by CHFA See capital stack below:

Financial Sources:	
Standard L-T Loan:	$8,042,000
Federal Tax Credit Equity	$12,093,811
State Tax Credit Equity	$6,296,492
Owner's Equity/DDF	$1,401,718
45L Credits	$28,140
DOLA Funds	$1,650,000
HOST Funds	$0
Energy Rebates	$0
Granby Funds	$1,240,800
Solar Tax Credit	$0
FRVHP	$750,000
Total Sources:	**$31,502,960**

j. **Project Serving Special Populations –** SAGA will not be designed to serve any special need populations.

k. **Changes Since Previous Application –** Since our previous application, there have been several key enhancements to SAGA, each contributing significantly to the value offered to residents and the wider community. We have increased the proposed unit count from our previous 9% application with 50 units to 67. In terms of financial accessibility, the income threshold has been adjusted from the 40% at 60% AMI set aside to an average income model which will service a broader base of potential tenants. Through strategic partnerships with the Fraser River Valley Housing Partnership, the Town of Granby, Grand County Housing Authority, Mountain Family Center, Fading West, and CS Structures, we are poised to achieve significant economies of scale. This collaborative effort will enhance our ability to deliver the project in a timely and cost-effective manner. The Fraser River Valley Housing Partnership will act as a special limited partner, facilitating property tax abatement, reducing costs per unit by $23,000, and aiding in sourcing appliances and materials at reduced prices. The Town of Granby will contribute by reducing permits, waiving fees, and assisting in the permit/approval process, adding a further $18,800 per unit in value. The Grand County Housing Authority will provide a waitlist and assist residents with obtaining vouchers, and we have a formalized MOU with the Mountain Family Center who will offer various services to residents, including access to their thrift store and food pantry, and delivery of food to SAGA. Fading West, a modular manufacturing company, has been selected to construct the units, with CS Structures acting as the general contractor using local support labor. Winter Park's support highlights the project's significance as a vital LIHTC development in the valley.

The integration of the general contractor and architect will facilitate more efficient communication and a streamlined construction process. The use of modular components will not only reduce construction costs through a fixed build and final customization process, but also significantly shorten the construction timeline. These cost savings and efficiency gains will substantially enhance the economic feasibility of the project. Please see Addendum 2 in supporting documents for more information.

1. **Describe the bond financing structure and include the following:**
    a. Total amount of bonds with a breakout of construction period bonds vs. permanent bonds. Total bond amount of $17,525,754. Series A will be perm bonds totaling $8,042,000. Series B will be the short term construction bonds totaling $9,483,754. Please see LOI from Bellwether for more information.
    b. Bond issuer and volume cap provider (please specify whether you are seeking CHFA bond-financed loan(s), CHFA conduit bond issuance only, or if bonds will be issued
    by a local issuer other than CHFA). We are seeking CHFA bond volume cap and CHFA bond conduit issuance.
    c. If CHFA is the bond issuer, private activity bonds will be limited to ~55% of the aggregate basis
    d. Lender and bond sale structure (public sale/private placement, takeout, securitization, etc.). private placement
    e. Portion of bonds that will be tax-exempt and taxable - All bonds are tax exempt
2. **Identify which, if any, of the priorities in Section 2 of the QAP:**
    a. SAGA will meet the following priority: "Projects in non-metro counties with a population of 180,000 or fewer (must meet requirements of Section 5.B.3.b." The Town of Granby has an approximate population of 2,218 and Grand County has a total population of 12,912.
3. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**
    a. Market Conditions
    The market conditions for The Summit at Granby Apartments (SAGA) are highly favorable. Tailored to serve various income levels (30%, 40%, 50%, 60%, 70%, 80% AMI), SAGA addresses the underserved low-income segment in Granby. The market study found a capture rate of 14.9% This favorable rate is evidenced by the zero-vacancy rate in the market and substantial waitlist of the single LIHTC property in the Primary Market Area (PMA). The Fraser River Valley Housing Partnership, special limited partner in this development, has identified a primary need for 645-730 affordable housing units for working residents in its August 2024 Housing Needs Assessment. The assessment also reports a vacancy rate below 1% and a notable increase in average monthly rents since 2018. Due to the lack of affordable developments in the market area, it was necessary to utilize comparables from outside the PMA. These properties maintain waiting lists and high occupancy rates. The population within the market is projected to increase 2.7 percent, and the market area is expected to gain 56 renter households per year by 2028. These projections indicate stable but limited growth in the market area, demonstrating a need for new affordable rental housing. In addition, the proposed development is located within close proximity to all needed services and public transportation.
    b. Proximity to Existing Tax Credit Developments
    There are no LIHTC developments in Granby. The table below shows the other tax credit projects south of Granby in Grand County:

Project	LIHTC	# of Units	Year
Wapiti Meadows	9	50	1994
Fox Run	4	64	2000
Old Town	9	60	2019

    c. Project Readiness
    Pending credit awards, SAGA's construction is planned to commence in March 2025, aligning with the carryover period requirement of starting construction within 13 months post-reservation. The site, zoned as highway/general business HGB, permits single-family and multi-family dwellings by right as per Granby municipal code, chapter 16.95, section 16.95.010. Consequently, the development requires only building permits, which the town will expedite to fast-track its inaugural LIHTC development. A concept review request has been submitted, expected to take 4-6 weeks. Following a successful concept review and tax credit award, The Summit Housing Group will apply for a Site Development Plan (SDP). Fading West is collaborating on the site and building design, preparing for a swift project launch, with construction starting scheduled for Spring 2025. CS Structures is the leading builder in the Northwest and has built multiple LIHTC and workforce housing developments as well as modular projects. Additionally, Walker & Dunlop, the equity partner and Bellwether, the permanent and construction lender, has a long-term relationship with SHG that will enhance an expedited closing. Both our equity / LP as well as our lenders have significand modular experience (Please see addendum in supporting documentation which outlines the construction timeline and benefits of modular construction).
    d. Overall Financial Feasibility and Viability
    The project's financial feasibility is buttressed by conservative underwriting assumptions and strategic partnerships fostered by SHG. The Fraser River Valley Housing Partnership and the Town of Granby have pledged their financial

support. Additionally, the project will benefit from 45L and DOLA Funding. SHG's robust relationships with various lenders and LIHTC investors will aid in securing advantageous terms for debt and equity investment.

e. Experience and Track Record of the Development and Management Team

Summit Housing Group, Inc. is a subsidiary of Summit Management Group, Inc. (SMG), a Montana corporation engaged in the development and management of LIHTC housing. A second subsidiary, Highland Property Management, Inc. (HPM), is tasked with the management of all of SMG's properties. Together the companies have developed housing in Colorado, (253 units leased and 40 that just completed construction), Montana (214 completed LIHTC units), Wyoming (908 LIHTC units built), South Dakota (67 LIHTC units built), Utah (230 completed LIHTC units), and Idaho (40 units starting construction in April). SHG is experienced and equipped to develop a project from acquisition through funding award, design, construction and closing. Summit Housing Group was also the recipient of the Novogradac National Family Project of Distinction Award in 2023 for our recently completed Academy Place Apartments in Broomfield, Colorado. HPM is experienced in LIHTC lease-up, compliance, and reporting, and currently managing 1,600 LIHTC units in Wyoming, Montana, Colorado, South Dakota, and Utah, with no unresolved 8823s. As an additional compliance safety net, HPM utilizes RightSource to review all applications for all new and existing LIHTC units as well as to provide ongoing training and support.

f. Project Costs

The project's construction and soft costs are based on initial schematic design drawings reviewed by SHG, Fading West and the general contractor. A conservative approach has been adopted for the cost estimation in this mountain town, accounting for all known costs and forecasting completion expenses. Please see project cost estimates below:

Development Budget	**$31,615,518**
Development Budget per Unit	$471,873.40
Construction Contract	$19,248,266
Construction Contingency	$577,448
Construction Contract per Sq Ft.	**$383**
Construction Contract per Unit	$287,288
Vacancy Loss Assumption	**7.0%**
Annual Operating Budget	$325,512
Annual Operating Budget per Unit	$4,858
Operating Deficit Reserve	$281,251
Marketing / Lease-Up Reserve	$10,000

g. Site Suitability

The site has easy access to transportation via a bus stop located less than 0.4 miles away. There is a free bus service that goes from Granby to Winter Park every half hour during the winter months and every hour during the summer. Recently, a new bike/walk path was completed and paved with access from the site to downtown which allows residents easier access to downtown without using the roadway. This route also cuts down on the total trip distance. Additionally, there is also an Amtrak station less than half a mile away that provides residents with easy access to ride the train into Denver, as well as access to multiple states.

4. <u>Provide the following information as applicable:</u>

a. Justification for waiver of any underwriting criteria

This is not applicable.

b. Justification of the financial need for a CHFA Discretionary DDA basis boost of up to 30 percent of eligible basis

This is not applicable.

5. <u>Address any issues raised by the market analyst in the market study.</u>

a. Capture Rates

Overall, the subject's capture rate is 14.9 percent. There are two competitive LIHTC properties located in the subject's market area. Due to the lack of affordable developments in the market area, it was necessary to utilize comparables from outside the PMA. These properties maintain waiting lists and high occupancy rates. The population within the market is projected to increase 2.7 percent, and the market area is expected to gain 56 renter households per year by 2028. These projections indicate stable growth in the market area, indicating a need for new affordable rental housing. In addition, the proposed development is located within close proximity to all needed services and public transportation. Therefore, it is believed the demand for the proposed development is sufficient to support the construction of the 67 affordable housing rental units. The Fraser River Valley Housing Partnership is the special limit partner in this development and produced a Housing Needs Assessment in August 2022 that notes a primary need of 645-730 affordable housing units for working residents. It is reported a vacancy rate below 1% and an increase of more than 100% in average monthly rents since 2018.

b. Unit Sizing

To provide the Town of Granby with as many units as possible to help them offset their large need for affordable housing we chose to limit the construction costs to increase the density of the development to 67 units. After discussion with CHFA and the Town we agreed to limit the size of units to aid in the creation of the development. Due to some challenging cost conditions on this project, including the rural location, costs of construction are much higher than other projects located in more urban areas. We have addressed these costs with the architect and the contractor to design the site and buildings to be the most efficient while using the least number of materials.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

The Phase I Environmental Site Assessment, prepared in substantial conformance with the scope of limitations of ASTM Standard Practice E 1527-21, has not revealed any Recognized Environmental Conditions (RECs) in connection with the subject property.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP for additional information).

Due to some challenging cost conditions on this project and in most mountain towns, costs of construction are much higher than projects located in more urban areas. We have addressed these costs with the architect and the contractor to design the site and its buildings to be the most efficient while using the least number of materials. The cost factor coupled with limited build window due to weather is the driving force behind our move to modular which offers a shorten project timeline and therefore reduce interest cost.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

We have approached the Town of Granby and hosted a town meeting with the public in which the attendees unanimously approved the support of the project as well as the financial support of up to $18,800 per unit. We have also worked with the newly formed multi-jurisdictional housing authority Fraser River Valley Housing Partnership, who also conducted a board meeting and unanimously approved the support of the development as well as the financial support of up to $11,194 per unit. We have also received support from various local governmental agencies plus the neighboring towns of Fraser and Winter Park. We have additional support from Habitat for Humanity as our strategic partner, who has a potential development nearby that is awaiting an award of funding from the land banking funds program. We are not aware of any current opposition to the proposed project.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

The proposed development represents a pivotal step towards fostering equity and enhancing economic mobility for residents in Granby and the broader Grand County, Colorado, a region characterized by its picturesque mountain landscape. By introducing the first Low-Income Housing Tax Credit (LIHTC) development in Granby, we are not only diversifying the affordable housing portfolio but also elevating the living standards within the community. This project's significance lies in its ability to accommodate residents whose incomes are at or below the 80% Area Median Income (AMI) level. By doing so, it addresses a critical gap in the housing market, particularly in a mountain town where the cost of living can be prohibitive for many. The introduction of this high-quality residential development is a substantial leap towards ensuring that members of the community, irrespective of their economic status, have access to safe, comfortable, healthy, and affordable housing. The strategic location of the development plays a vital role in promoting accessibility. Positioned in an area where affordable housing options are currently limited, this project will significantly enhance the availability of such housing in the county. This increased accessibility is not just a matter of physical proximity but also relates to the broader implications for community diversity and inclusivity. Furthermore, by providing affordable housing options, the development indirectly supports the local economy. It enables a more diverse workforce to reside within the community, contributing to the economic vitality of Granby and surrounding towns. Workers from various backgrounds will enrich the community's racial and socioeconomic diversity, fostering a more inclusive and vibrant society. In addition to these direct benefits, the development's emphasis on sustainable and efficient living aligns with the environmental consciousness typical of mountain communities. This approach not only ensures long-term economic viability for residents but also contributes to the broader goal of sustainable development that exists in harmony with the natural beauty of the Colorado Rockies. In conclusion, the proposed LIHTC development in Granby is more than just a housing project; it's a commitment to equity, inclusivity, and economic empowerment in a mountain town. It is a visionary step towards creating a more equitable and economically vibrant community that values diversity and offers its residents the opportunity to thrive in a supportive and sustainable environment.

4% housing tax credit application narrative

Project Name: Tiara Apartments
Project Address: 12000 E. 16th Ave., Aurora, CO 80010

Executive Summary: KCG Development, LLC is excited about the opportunity to present Tiara Apartments to CHFA through this application and the potential to provide much-needed rehabilitation for the residents and community. Tiara Apartments hits points within each of CHFA's Guiding Principles, including the priority to support critically needed rehabilitation of projects at risk of converting to market rate housing. As an existing Section 8, non-LIHTC development, Tiara Apartments houses a vulnerable population of both elderly and those with disabilities and KCG intends to address the CHFA priority to provide a stable, long-term living environment, including access to appropriate services for this special population through a partnership with Portfolio Resident Services (PRS), which is outlined in the attached plan (Attachment A). Improving resident services is critical to enhancing the quality of life for each resident and PRS, a nationally recognized service provider, is a contracted partner that will bring many services currently unavailable to the residents. This project includes careful consideration for the promotion of equity and economic mobility, including important safety and security features as well as critical services for this vulnerable population. PRS will work closely with residents to determine their needs, but examples of potential services include health screening and immunizations, emergency assistance and relief, translation assistance as well as social and recreational activities.

Tiara Apartments is a 50-unit affordable housing property with a HAP contract that serves 100% of the units. The property is part of the "Moderate Rehabilitation" program and will be converted through the RAD program to a new 20-year Project-Based Rental Assistance Contract, the process of which is detailed in Attachment B.

This LIHTC award will not only allow for extensive renovation to occur, but also preserve the affordability for the foreseeable future. Tiara is a true preservation project, as the current HAP contract is expiring in 2025. Receiving a LIHTC award will ensure this preservation. The current owner had been marketing this property to market-rate investors and developers before KCG stepped in and put the property under contract, with the condition of receiving a LIHTC award. According to the City of Aurora Housing Strategy plan, maintaining the City's expiring housing subsidies is a priority.

The location of Tiara is within a QCT and benefits from excellent proximity just one block from Fitzsimons Medical Campus in Aurora, which is ideal for this senior community. To expand even further on this prime location the property sits 0.1 miles of two bus stops, 1-mile from light rail and within 1-mile distance from amenities such as grocery stores, health clinics and pharmacies. The property makes the most of its density with one single 5-story building and historical occupancy at 100%.

Energy efficiency has been a particular focus of the planned renovation and will achieve partial electrification for potential future conversion to all-electric. The scope of work includes many energy efficiency features including LED lighting, water-conserving low flow toilets and faucets and replacements with brand new modern utility systems. Additionally, the building will significantly reduce Greenhouse Gas emissions while also adding cooling to the apartments.

Tiara Apartments was built in 1962 and has never received tax credits or a substantial renovation. The last renovation of any kind occurred in 1983, over forty years ago, and many of the systems are from the original construction. There is extreme deferred maintenance at the property, which includes life safety issues and an elevator that is original to the property and in need of replacement. This poses a significant problem for an elderly and disabled community that lives on 5 stories and relies on the elevator for access to their units and to the exterior of the property. Due to the sensitive nature of this renovation, KCG has hired Revival Development Services to lead the temporary relocation of residents, while units are being completed. The project's Relocation Plan is included with this application.

This development necessitates both 4% Federal LIHTC and Colorado Affordable Housing Tax Credits (AHTC) to be financially feasible and to pay for this critical $140k/unit renovation after so many years of neglect. In addition to equity from the credits, KCG intends to apply for a Capital Magnet Fund loan from Impact Development Fund and a property tax exemption through a partnership with Aurora Housing Authority. And finally, as mentioned Tiara Apartments will receive a new 20-year rental assistance contract through the RAD conversion.

KCG Development is ready to proceed with the rehabilitation of Tiara Apartments as quickly as possible and is anticipating a financial closing in the first half of 2025. Based on communication with the City of Aurora, it is anticipated that an administrative process with the City of Aurora will fit within the timeline for KCG to be ready for financial closing within 90 days of a tax credit award. KCG has the experience to execute this rehabilitation and passion for affordable housing to deliver a first-rate project for the benefit of the neighborhood and especially these residents.

1. Describe the bond financing structure:
   Construction Period Bonds (Tax-Exempt): $10,300,000 - Private Placement; Permanent Bonds: $6,090,000 - Private Placement; Bond Issuer: CHFA; Taxable Construction Loan: approx. $4,550,000.

2. Identify which, if any, of the priorities in Section 2 of the QAP:
   Although the project does not meet the full definition for serving Special Populations in regard to the scoring criteria, Tiara Apartments does serve persons with disabilities in addition to the senior population and will provide appropriate services and those that focus on a stable, long-term living environment, including ADA upgrades.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
   <u>Market conditions:</u>
   Tiara apartments is and will continue to be 100% subsidized, so the market study evaluates income eligible households at or below 30% AMI and concludes 41.1% income eligible households. Average occupancy rate in the area is 95.6%, with affordable units surveyed averaging 98.9% occupancy with a waitlist.
   It is believed Tiara is competitive with the other existing housing in the market area and the rehab will provide superior unit features and project amenities than other available rental units.

   <u>Proximity to existing tax credit developments:</u>
   Eleven comparables were surveyed in the market area, two of which are restricted and confirmed with units serving senior households, Aurora Homes with 0% vacancy and Residences at Hoffman Apartments with 3% vacancy. Two additional that served similar households could not be confirmed. The similar comps are 0.8 and 2.0 miles away from Tiara respectively. Upcoming tax credit developments are anticipated to serve family households and not direct competition for Tiara Apartments and other LIHTC properties in the area also serve family households.

   <u>Project readiness:</u>
   KCG has site control through a fully executed Purchase and Sale Agreement dated February 2024 and is poised for financial closing within 90 days of receipt of a tax credit award with construction commencement shortly

thereafter. Additionally, the project already has a complete set of architectural drawings and a fully vetted scope of work. Based on discussions with the City of Aurora planning department, the timeline for the required minor amendment to site plan fits within this timing.

Overall financial feasibility and viability:
Because this property has not received a renovation in over 40 years and needs a substantial renovation to remain a viable housing option the hard and soft costs are higher than what otherwise might be required on an acquisition-rehab project. KCG has been working closely with their design team and general contractor to complete due diligence and vet out a complete scope of work, including evaluation of temporary relocation for residents. Tiara is located in a qualified census tract, helping improve financial feasibility which otherwise would lead to a gap in federal equity alone of over $1.4 million. Environmental improvements are included in the costs and KCG feels confident the cost projections and scope of work will provide for a high-quality rehabilitation for residents to enjoy for many years to come.

Experience and track record of the development and management team:
KCG Development has assembled an experienced team of professionals with a long working history within the affordable housing industry. The team includes General Contractor Palace Construction, tax credit financial consultant S.B. Clark Companies, architect KCG Design Services, green energy consultant Group 14, property management KCG Residential and resident service provider Portfolio Resident Services.
KCG has completed or has in construction over $1 Billion in acquisitions and development activity nationally, involving more than 4,300 units, including over 20 tax credit projects in nine states. Tiara will be KCG Development's first Colorado project but looks to grow its affordable portfolio within the state. KCG Residential (sister company of KCG Development) will be the property manager for this community.

Project costs:
While costs may be higher than average for an acquisitions-rehab renovation, many factors have been considered to arrive at a comprehensive scope of work. As noted previously, there has not been a renovation at the building in over 40 years and thus there is considerable deferred maintenance, including original building systems, plumbing and electrical. A key component needing attention is the elevator, which is constantly breaking down and with only one elevator at the property, this is problematic for the existing elderly and disabled community. The scope of work includes a brand-new elevator replacement and modernization that will last for the next 30 years. Currently, air-conditioning at the property does not exist and extensive electrical upgrades are needed to add this feature. Leaks at the property are prevalent and much of the plumbing is original and in need of replacement.

Additionally, KCG has been proactive in environmental testing and the project will need asbestos and lead-based paint abatement during the rehab process. During Phase II environmental testing it was uncovered that ambient air levels within units exceed the vapor EPA thresholds. PSI, the environmental consultant, has recommended installing a vapor mitigation system to solve this issue and has provided a design and cost estimate, which is included in the scope and budget.

Temporary relocation costs are included in the budget at over $500k. This is higher than average due to the vulnerable community of current residents as well as only one elevator serving the property and the anticipated environmental abatement outlined above. The relocation budget includes hotel costs that allow adequate time for the General Contractor to complete the scope of work items with residents outside of their homes. Additionally, the total operating expense budget per unit is higher than average, which in part comes naturally at a property of only has 50 units due to efficiencies. Proforma expenses are generally in line with historic expenses and attributed to the addition of a resident services coordinator, admin costs with the addition of LIHTC compliance and higher property insurance.

<u>Site suitability:</u>
This is an existing multifamily community, so the site already exists. That noted, it is a perfect location for elderly and disabled residents as it is situated directly adjacent to Anschutz Hospital and Medical Campus, one of the largest hospitals in the state, and within walking distance to an extensive array of amenities, such as clinics and pharmacies that especially cater to a senior community. Access to public transportation and grocery stores are within a mile or less for the residents.

4. Justification for waiver of underwriting criteria:
   AHTC Applicable Percentage Rate (APR) Waiver Request (Attachment C)

5. Address any issues raised by the market analyst in the market study.
   The Market Study does not identify any market deficiencies or weaknesses.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.
   The Phase I report identified a REC due to a former drycleaner that was in the east adjoining property to Tiara Apartments and as a result, a Phase II environmental report was recommended. The rehabilitation scope of work has budgeted asbestos and lead based paint abatement as well as a vapor mitigation system. Details of the mitigation plan are contained within Attachment D.

7. Identify if there are any unusual features that are driving costs upward as well as if there are any opportunities to realize cost containment (refer to Section 2 of the QAP).
   Many building systems are past useful life, resulting in higher renovation costs. Additionally, the scope of work will address environmental impacts. Despite these factors, the overall goal to deliver high quality renovated units to the residents at Tiara will be met and costs are not over the standard CHFA cost basis.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).
   KCG has reached out to the City of Aurora, the Aurora Housing Authority, Adams County (Attachment E) and Colorado Division of Housing, all of which have expressed support of the project. Aurora Housing Authority has provided a letter of support for Tiara that includes the intention to participate as a Special Limited Partner, allowing for property tax exemption and waiver of permit fees. The property tax exemption reduces annual operating expenses by $60,000, which creates a savings of $710,000 through increased borrowing capacity and the permit waiver creates a savings of over $25,000.

   Additionally, the City of Aurora connected KCG with the city's Police Area Representative's (PAR) program, which emphasizes sensitivity and responsiveness to citizen concerns. KCG ownership and property management teams, upon acquisition, intend to participate and establish these critical relationships with City law enforcement for the benefit of the residents and neighborhood.

   KCG has also been visible at the property and in communication with the current residents, who are excited not only for the renovation of their units, but also the addition of new services and amenities such as the new courtyard gazebo, picnic tables and more space for gardening (Attachment F). All groups have been extremely supportive of the project, identifying the critical need of this renovation that will benefit not only the residents, but also expects to be a catalyst for future development and improvement in the neighborhood.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.
   The rehabilitation of Tiara Apartments has been well thought out so that upon completion it will be a substantial upgrade to the quality of life for residents. This upgrade is evidenced by the physical rehab including new modern kitchens and bathrooms, new community outdoor space for residents to congregate and an array of new services

that will be specifically geared toward this resident demographic. The existing on-site community gardens are very popular and remain an important amenity that provides a significant amount of enjoyment and social interaction amongst residents. The rehab will be expanding the garden area and building a formal tool shed so residents have a convenient and safe place to store their gardening tools and materials. All these enhancements will help enrich the lives of this senior and disabled community to ensure that residents feel pride in their homes, which will in turn provide opportunity for each of them to grow and flourish within themselves and the community.

10. For acquisition/rehab or rehab projects, provide a detailed narrative that describes the proposed rehab plans/scope of work, and relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, natural disaster).

Tiara Apartments is an essential housing community for elderly and disabled residents within Aurora, as evidenced by the 100% occupancy level at almost all times. The proposed transaction will result in over $7,000,000 ($140k/unit) in hard cost physical improvements to this community, highlights of which include:

- Interior improvements to all 50 units, including material upgrades to bathrooms and kitchens
- Much needed updates to the building envelope (roofs, windows, siding) as well as building systems (boilers, water heaters, electrical and plumbing); Addition of Air/Conditioning
- New gazebo, picnic Tables, and updates to the current leasing office
- Energy efficiency features, water-conserving low flow toilets and faucets, brand new utility systems
- Major ADA upgrades to 4 units, as well as accessible pathways to all common area amenities
- Security additions including a new camera system, more parking lot lighting and perimeter fencing

There is a tremendous amount of deferred maintenance, which includes several life-safety issues. The exterior balconies are outdated and deteriorating, there is no air conditioning during the hot summer months, which is especially difficult for a senior community, the elevator is often out of order and in need of full replacement and ambient vapor issues are present. If these items, amongst others, are not addressed very soon it poses a significant health risk to these residents. The scope of work described in Attachment G successfully addresses each of these items and sets up the property for long-term success.

KCG has contracted with Revival Development Services, an experienced relocation company nationally and within Colorado, and a detailed relocation plan is included with this application.

Please see attached with this application an attorney opinion letter regarding the 10-year rule.

Building trust between the residents and management team will be a critical ingredient in long lasting success for Tiara Apartments. Similarly, KCG looks to build trust with each of their project partners by working hard to do the right thing, learning from experience, and staying true to their mission of advancing excellence in the multifamily industry. The commitment to rehabilitation at Tiara reflects the passion KCG has for affordable housing and the opportunity for positive, transformational community development.

4% housing tax credit application narrative

Project Name: University Building Lofts

Project Address: 910 16th Street, Denver CO 80202 (the “University Building”)

Executive Summary: Mile High Development (“MHD”) is pleased to present this application for University Building Lofts (“UBL” or the “Project”), a 120-unit adaptive-reuse affordable rental community at the University Building, directly fronting the newly revitalized 16th Street Mall in downtown Denver, which will be fully operational prior to UBL opening. The University Building is one of Denver’s most distinctive historic buildings, built in 1910 and listed on the National Register of Historic Places. The Project will preserve and restore this magnificent landmark, converting from its current commercial use to residential. Right outside future residents’ front door is a 13-block non-vehicular, public space filled with retail, amenities, public art and play structures. Beyond 16th Street, UBL’s downtown location affords unparalleled access to jobs and public transportation to enhance residents’ economic opportunity and quality of life. UBL is a once in a generation opportunity to provide a substantial number of affordable rental units, in the most transit-rich and jobs-rich environment in the state, while preserving an important piece of Denver’s cultural fabric and contributing to the revitalization of the region’s economic center.

Located in a Small Area Difficult Development Area (“SADDA”), the Project will include a total of 120 units, as follows: 57 studio units, 52 one-bedroom and 11 two-bedroom units, serving workforce and family residents from 30% to 80% AMI, with an average AMI of 59.3%. Placing an emphasis on maximizing density while still respecting the historic nature of the building, the design is comprised of smaller, more efficient units. This is appropriate not just from a preservation perspective, but also from a market fit perspective. 97% of households in the PMA consist of three people or less, and the Project’s Market Study indicates that the proposed unit mix will match market demand. Residences at UBL will be well-appointed, including in-unit washer and dryer in all units (if feasible), granite countertops, LVP flooring, Energy Star appliances, built-in microwaves, LED lighting, dishwashers, garbage disposals and window coverings. The Project will include a Community Room, Fitness Center, On-Site Property Management, Bike Storage and Public Restrooms. Building management will be located on-site and will include a package handling system for the security and privacy of residents.

Denver, CO

Unit Mix and AMI Levels				
Unit Type	Studio	1-BR	2-BR	Total
30% AMI	6	5	1	12
40% AMI	6	5	1	12
50% AMI	8	7	2	17
60% AMI	13	12	2	27
70% AMI	16	16	3	35
80% AMI	8	7	2	17
Total Units	57	52	11	120

The Project proposes no additions or significant alterations to the twelve-story concrete structure, creating a straightforward planning and permitting review process. Indeed, the Project has already been released from Concept Phase by the City of Denver and allowed to proceed directly to Building Permit, bypassing the Site Development Plan process. The Project is within a D-TD, UO-1 zoning district, where multifamily residential is an allowed use and is consistent with current zoning regulations.

While renovation of the UBL will not entail significant changes to the building's exterior and appearance, it will involve a comprehensive reconsideration of building systems as electrification-ready, including thoughtful plans for a more sustainable future. For example, while today the Project proposes conversion of the existing steam heating to a four-pipe fan coil system, to facilitate future electrification, a centralized boiler will be installed rather than a more distributed approach. Junction boxes, conduit and bus bars in the electrical panel will be sized to accommodate replacement with an equivalent heat pump electric appliance. The mechanical room will provide sufficient air volume for a heat pump hot water boiler plant to operate as well. Further, UBL will be certified under the Enterprise Green Communities ("EGC") standard.

UBL has a unique opportunity to not only bring badly needed affordable housing to downtown Denver but also complimentary resident services through a partnership with Warren Village ("WV"). As part of this partnership, UBL residents will be offered on-site services including resource referrals, community building events, a food pantry, and enrollment in Mobility Mentoring® program. WV will have access to on-site office space and community space while working with residents. The partnership at UBL would be supported through focused philanthropic efforts. MHD has an MOU with WV at this early stage, to outline conceptual partnership terms. Both parties acknowledge that the partnership will need to be continually evaluated to ensure that it meets the needs of both WV and UBL residents, especially considering the emphasis on smaller unit types within the Project. With that acknowledged, however, this partnership may be an impactful way to further support UBL residents.

UBL's location is highly desirable with close and easy walking access to retail, grocery, restaurants, and cultural centers. The Project has a Walk score of 97 and a Transit Score of 87, for an average score of 92. It is a "Walker's Paradise"/ "Excellent Transit." The Project is in the heart of downtown Denver, the region's economic engine, as well as employment centers like the Convention Center (0.3 mi) and Auraria campus (0.5 mi). Indeed, UBL's transit access is one of its greatest strengths. Merely 0.1 miles away, residents will have access to the D, H and L lines, connecting to Englewood, Littleton, Southwest Aurora, and Lower Downtown, as well as 11 bus stops serving 14 unique bus routes. Broadening to a 0.5-mile radius, there are 113 bus stops connecting to almost every commercial hub in the Denver and Boulder MSA's. Some highlights include:

- Free Mallride and Free Metroride – connecting to Union Station and Civic Center Station, allowing for virtually limitless access to the entire region, including Denver International Airport, Amtrak, Bustang and Pegasus intercity bus services
- FF (Flatiron Flyer) line – express and high frequency bus service between downtown Denver and Boulder
- 52 line – accessing Denver Health Medical Center to the south
- RX line – originating downtown and connecting to Commerce City and Brighton

The Project will be financed with 4% LIHTC, Colorado State Affordable Housing Tax Credits ("AHTC"), Federal and State Historic Tax Credits, local funding from the Colorado Division of Housing and the City and County of Denver's Department of

Housing Stability. In addition, the adaptive reuse nature of the Project positions it to aggressively pursue various energy funding options, such as Xcel Energy EDA, Denver Electrification Rebates, HOME Energy Rebates, Colorado Clean Energy Fund Financing, and Colorado Commercial Property Assessed Clean Energy Program. Further, the Project's alignment with the City and County of Denver's downtown revitalization efforts favorably situates the Project to take advantage of local funding sources, including potentially the Downtown Development Authority (DDA). See attached Letter of Support from Denver Mayor Michael Johnston.

1. Describe the bond financing structure: The bonds for this project will be issued by CHFA and will be privately placed with the construction and permanent lender, KeyBank. There will be an estimated $37,000,000 in tax-exempt bonds issued for the project. Of those, $21,360,000 will be retired at construction completion for a permanent bond amount of $15,640,000. All bonds will be tax-exempt (no taxable tail) though there will be a portion of the construction loan ($16,000,000) that is anticipated to be taxable.

2. Alignment with QAP Section 2 Priorities: The Project does not serve Persons experiencing Homelessness, Special Populations, or a non-metro county.

3. Alignment with QAP Section 2 Criteria for Approval:

Market Conditions: The overall Capture Rate for the PMA is only 18.7%, which is lower than many other areas of Denver, and is evidenced by over 13,000 units of residual demand. While the capture rates for 40%-60% AMI levels are high, after the addition of UBL and two other approved LIHTC Properties in the PMA, the remaining demand for units in all AMI bands exceeds 1,000 units each. The Project Market Study does not assume any in-migration.

Proximity to existing tax credit developments: The Project's PMA includes 55 LIHTC projects with a total of 2,705 income-restricted units. While this a high density of LIHTC units compared to other regions, it is appropriate given the higher density of residents and downtown's status as one of the areas of greatest employment density within the City and County of Denver. There are two other planned projects in the PMA: 901 Navajo Street and Denver Dry Goods Building. These two projects represent 202 units that would be in direct competition with UBL. Please see the Market Study for the list of other LIHTC projects in the PMA.

Project Readiness: The Project is currently zoned D-TD, UO-1, which allows multifamily housing. To expedite review and approvals, no major alterations or additions to the building are proposed. The administrative process for obtaining building permits is expected to proceed very expeditiously, as the project has been approved to move directly from Concept approval to Building Permit, avoiding the long and cumbersome SDP process within Denver's Community Planning & Development (CPD) office Also, as we are not designing a new building, but rather designing residential units and amenity space to fit within the confines of the existing structure, which will largely be left "as is", the level of architecture/design to get to a Building Permit will be significantly shorter by half, or more, than with a new building entitlement process.

Overall financial feasibility and viability: The Project is financially viable due to the SADDA basis boost, historic tax credits as well as anticipated local funding as outlined in our Sources and Uses tables in the pro-forma. Key Bank and Key Banc Capital Markets have each provided Letters of Interest to provide Construction Financing and Permanent Financing through either Fannie Mae, Freddie Mac or other known Private Placement sources, and Key Bank CDC is proposing to purchase the State and Federal Tax Credits. Key Bank officials have toured the building and are enthusiastic about the adaptive reuse opportunity UBL represents in such an important location. Key Bank's Denver Regional office for its national affordable housing team is located at the end of the Sixteenth Street Mall, just 8 blocks away.

Experience and track record of the development and management team: Mile High Development presents this Project as Project Applicant and Developer. BMC Investments, one of Denver's most successful developers of urban office and residential projects, is involved as a Consultant. This is not the first partnership of the firms; indeed, in August, after three years of collaboration, the Fitzsimons Gateway Apartments project across from the Anschutz University of Colorado Campus will close its construction financing and begin construction. In that project, Mile High Development played an advisory role while BMC was the Project Applicant and Developer.

Mile High Development is in the final stages of completion on two 4% LIHTC projects, in Central Park and Arvada, which will be the 9^{th} & 10^{th} affordable housing projects the firm has developed either as Applicant, Developer, or Co-Developer in the Metro Denver market over the past 15 years. This represents the addition of nearly 1,000 units to the region's supply of affordable housing.

BMC Investments has owned, operated, and developed an impressive array of residential multifamily, office, hotel, and mixed-used projects since its inception in 2011. Across Denver Metro, BMC owns and operates 4,593 workforce housing units, with a combined value of $900 million. BMC has completed nine development projects totaling $700 million in project costs, including three completed multifamily projects comprising 708 units.

Property Management duties will be handled by Com Cap Property Management, one of Colorado's premier property management firms. This would be the sixth affordable project that Mile High Development has chosen Com Cap as the Property Management firm, and as such both firms have a deeply familiar working relationship.

Project Costs: MHD has engaged Vertex Engineering and Langan in early building assessment and evaluation activities. MHD has also engaged Alliance Construction in early cost-estimating, leveraging extensive adaptive reuse expertise. Further, the Project maintains sufficient contingencies, larger than typically found in ground-up construction, to address the inevitable unknowns that are typical with this type of construction project.

Site Suitability: UBL has an ideal downtown Denver location with access to the best Denver has to offer. Transit access and connectivity to job centers is unparalleled. UBL will also contribute to the revitalization of an important downtown center.

4. Describe any requests to waive underwriting criteria: UBL is requesting a basis limit waiver. The request is necessary for financial feasibility and is justified due to the high costs associated with this type of construction. In addition to the challenges of adaptive reuse, the Project proposes a conversion in use from office to residential, as well as the requirement of strict adherence to the Secretary of the Interior's Standards for Construction as required by the historic tax credit program. Finally, the dense, urban fabric of downtown leaves little room for staging and similar ancillary construction activities, further adding to cost and complexity.

5. Address any issues raised by the market analyst in the market study: The Market Study indicates that while market rents have remained flat for the last 24 months, maximum HUD rents have seen increases, which has caused the margin between maximum LIHTC rents in the 80% AMI level to approach average market rents. Based on this feedback, we have proactively reduced 80% AMI rents to mirror 70% AMI rents, to create a more meaningful spread to market rents and facilitate timely lease-up.

6. Address any issues raised in the environmental report(s): No RECs were found in the Phase I environmental report.

7. Identify if there are any unusual features that are driving costs upward, and opportunities to realize cost containment: The Project has contained costs by limiting the scope of work to the existing building envelope and reusing existing building materials to the greatest extent possible. The scope of work excludes the ground floor retail spaces, which will be under separate ownership. The building's historic nature and the requirements of the historic tax credit program dictate extra care and additional costs when compared to a typical renovation or ground-up development and cannot be ignored when analyzing Project costs. Our design team from Shopworks Architecture have done an excellent job of retaining virtually all the historic features without incurring unnecessary costs that would make the project infeasible.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support): Initial outreach for the Project has been met with enthusiastic support, as is demonstrated by the attached letters. In particular, the downtown Registered Neighborhood Organization (RNO), the Downtown Denver Partnership/Downtown Denver Business Improvement District, has submitted an enthusiastic letter of support as well as offered to help our team to take advantage of downtown Denver's many attributes should we be

fortunate enough to receive a tax credit allocation. In addition, the Project has received a letter of support from Denver Mayor Michael Johnston considering the great alignment with the City and Region's economic development goals.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents: The Project contributes to promoting equity and economic mobility by providing thoughtfully designed units in a magnificent historic building to residents at 80% of AMI and below in a job-rich downtown corridor with ample retail and services. Residences in this area provide access that can so often be an impediment to economic mobility. Further, a partnership with WV to provide on-site services and mentoring will help residents access the support and services to promote equity and achieve economic mobility.

10. For acquisition/rehab or rehab projects, provide a detailed narrative that describes the proposed rehab plans/scope of work, and relocation plan (if applicable); addresses the 10-year rule; capital expenditures over the past two years; previous related party relationships; past local, state, or federal resources invested in the project; obvious design flaws; obsolescence issues; safety issues; and any significant events that have led to the current need for rehabilitation (i.e., fire, natural disaster): The proposed renovation of the University Building contemplates a complete interior renovation, addressing all building mechanical, electrical and plumbing and life safety systems. Windows will be either repaired or replaced as appropriate, and elevator systems will be rehabilitated. This effort is being led by Mr. Greg Iturreria, Managing Director of Development for BMC, and a recognized expert in adaptive reuse of historic buildings. The MHD/BMC team had the added benefit of being able to review an extraordinary amount of due diligence materials that had been completed for the current building ownership as part of prior potential development projects. These materials include extensive analysis of existing building conditions as well as many great ideas and approaches for cost containment, while maintaining the historic nature of the interior, the beautiful main level Lobby, and the exterior of the building.

Paul Smith at Bryan Cave Leighton Paisner LLP provided the 10-year rule opinion.

Capital expenditures by current building ownership have been limited, due to the likelihood of a near-term sale or change in use.

The current ownership structure for the Project is shown in Section 18 Site Control. No related party will own more than 49% of the new LIHTC entity.

There are no past local, state, or federal resources invested in the Project, to our knowledge.

There are no obvious design flaws, obsolescence issues, safety issues or significant events that merit an urgent need for rehabilitation. Rather, the long-term economic impacts of the COVID-19 pandemic as well as the changing needs and nature of small commercial operators suggest that a conversion from commercial to residential use would be the most suitable use for the long-term viability of the building.

4% housing tax credit application narrative

Project Name: Victoria Village Building D
Project Address: 245 Park Avenue Fraser, CO 80482

Executive Summary: The Town of Fraser is combating a dearth of long-term rental options for its community and workforce and it is intent on rapidly solving this challenge. According to its 2022 Housing Needs Assessment, long-term rentals are the least available, making up only 39% of rental housing stock compared to the 61% of short-term vacation rentals in the Fraser River Valley.

A focused effort to provide this essential housing is Victoria Village Building D, which is part of the first development phase of the Victoria Village site acquired by the Town in 2022 (with an Operation Turnkey Grant from the Colorado Division of Housing (DOH) and Town cash). This site, located on the north side of Fraser at the intersection of U.S. Hwy 40 and Grand County Road 8, was primarily acquired to develop affordable housing for existing and new Town residents. The Town selected Mountain Affordable Housing Development (MAHD) and its development team through an RFQ process in late 2022 and immediately set to work.

In mid-2023 the Town approved a collaboratively developed master plan—including four involved public open houses and a MAHD-run resident input survey. In late July, the Town approved the Final Plat and Major Site Plan for the first phase of Victoria Village and voted unanimously to commit $2,050,000 for the needed infrastructure improvements in Building D.

Building D is a 35-unit building serving families between 30% and 80% AMI with 8-studio, 12-1BR, 11-2BR and 4-3BR units with an average income of 58.9%. The higher average AMI level is a direct response to both resident and Town leadership feedback and market driven decision making. The 2022 Housing Needs Assessment and polling of the community indicated needs across the AMI spectrum and beyond those served by 30-80% AMI projects. As such, and in concert with the Town, MAHD designed the first phase of Victoria Village to include middle income units as well as this Building D to address lower-income demand not met by other developments in the area. Of urgent focus is a soon-to-be developed hospital located approximately a mile up the road, the staff of whom would benefit from Building D.

Building D is well located with a grocery store only 0.5 miles away and immediate access to public transit. The Lift Winter Park is a free transit service year-round to and from Winter Park Resort, Downtown Winter Park, Fraser and Granby. The Lift stops 500 feet from Building D for both the Black and Teal lines. The Black line loops through the Town every 30 minutes, while the Teal line heads north to Granby seven times a day. The Fraser Park/Winter Park Train Station is 0.2 miles to the southwest of the project and connects residents via Amtrak trains east to Denver or west to Granby, Glenwood Springs and beyond.

The Victoria Village Building D market study indicates the capture rates are very low with an all-in rate of 11.0%. The 2022 Housing Needs Assessment Update for the Fraser River Valley, including that portion of Grand County from Winter Park north to Granby, was delivered in August 2022. This report identified that COVID work-from-home, the East Troublesome fire, and the surge in homes being short-term rented for visitors have driven vacancies for long-term rental housing to less than 1% and <u>was most acute in the Town of Fraser</u>. Rents in Fraser increased from 2018 to 2022 by 122% and 168% for 2BR and 3BR units, respectively, with no listing for 1BR units available.

The project will consist of a single four-story building with elevator and interior stair and hallways. The total building will be approximately 33,000 sq. ft. Each unit will have a small patio or deck. The ground floor is planned to have approximately 2,500 in public common space that is intended for public use or commercial space as a United Postal Office Box lobby. (This portion of the building has been excluded from tax credit eligible basis to preserve the flexibility of this needed community resource.)

The proposed building superstructure will be wood framed construction on concrete foundation walls with spread footings. The main level floor will be slab on grade. The upper floors will be fire and sound rated floor systems with prefabricated TJI structure. The exterior of the building will have non-combustible exterior siding including horizontal, vertical and shingle-patterned pre-finished cement board. The main building roof system will be a prefabricated gable truss system with smaller gables provided over the exterior decks. All roofs will have asphalt shingles. The deck structure will have heavy timber vertical structure with drip-through non-combustible decking and metal railings.

The building is organized with units flanking both sides of a central corridor with a fire rated egress stair tower at each end of the corridor. Each unit will have air conditioning and its own storage closet that is accessible from the corridor. The elevator is located at the east end of the building and accesses all floors. There will be a common laundry room and lobby on the main level for resident use.

The Town has been awarded $4 million in infrastructure grants and has committed a total of $3.6 million to the overall Victoria Village development. As indicated above, $2 million of this funding will be provided directly in support of Building D in the form of subordinate cash flow debt, to offset the site's pro-rata share of infrastructure and predevelopment costs. The project is supported by the Fraser River Valley Housing Authority (Attachment A) and the Town of Fraser Housing Authority will act as the special limited partner for property tax exemption.

1. Describe the bond financing structure and include the following:

The project is located in a DDA and the financing plan includes CHFA-issued conduit bonds privately placed at not more than 55% of aggregate basis. The financing includes approximately $11.1 million in short-term tax-exempt bonds paying down to $3 million long-term with $4.1 million short-term taxable bonds. Funding sources include the significant Town support, LIHTC and AHTC equity, and a deferred developer fee. In support of the Town and project, MAHD is taking less than the max developer fee. <u>All funding sources are identified and in-hand pending award of LIHTC and AHTC</u>.

2. Identify which, if any, of the priorities in Section 2 of the QAP:

The project is in a county with a population of less than 180,000. Per the 2020 Census, Grand County has a population of 15,717. In addition, it meets a number of the Guiding Principles: To provide a distribution of credit; location is within a half-mile of public transit, grocery, shopping and employment opportunities; and will be all-electric.

3. Describe how the project meets the criteria for approval in Section 2 of the QAP:
   a) Market conditions

The market study submitted with this application identifies an overall capture rate for the project of 11.0%. The highest rates were the 30% AMI income band at 11.7% followed by the 60% AMI income band at 10.5%. All others were 9% or less. The PMA's overall surveyed vacancy rate was 2.7%.

   b) Proximity to existing tax credit developments

In 2000, Fox Run was awarded 4% LIHTC for 64 family units. In 2019, The Mill Apartments was awarded 9% LIHTC for 60 family units. In 1994, Wapiti Meadows also in Fraser was awarded 9% LIHTC for 50 family units. The LIHTC projects in the PMA were 1.8% vacant and one had a 25-35 applicant waitlist.

   c) Project readiness

After the Town of Fraser was awarded its Operation Turnkey Grant in 2022 and selected, by RFQ, the MAHD team, the final master plan was agreed upon in 2023. The Final Plat and Major Site Plan was approved in late July. The development agreement with the Town has been presented to staff and is being prepared for Town Council approval expected in Sept. 2024. Site engineering and architectural design for both the LIHTC Building D and middle-income buildings C and E are being completed. Upon award of the LIHTC, AHTC, and PAB, final design and construction specifications will be launched with the project financing expected to close summer 2025. An 17-month construction program is planned with lease-up and stabilization to occur by 3rd quarter 2027.

   d) Overall financial feasibility and viability

The financial feasibility and viability of both the overall Victoria Village project and, specifically, the first phase including Building D, has been demonstrated by MAHD to the Town of Fraser as is evidenced by periodic updates to Town staff and council. Additionally, the Town staff has sourced approximately $4 million in infrastructure grant funding for the campus' horizontal development components. Building D's financial feasibility is assured as all funding sources are identified and in-hand pending award of LIHTC and AHTC.

   e) Experience and track record of the development and management team

MAHD is an organization made up of two experienced real estate development and financing partners: Windham Project Services Ltd. and Calested Partners LLC. Windham is a specialized development management and advisory services company operating in Grand County, across Colorado and more broadly servicing clients in the US and western Canada. Windham's recent relevant experience includes Winter Park Resort Employee Housing, Hideaway Junction Phase 2 affordable for-sale housing units in Winter Park, and Lakota Park Subdivision 84-unit for-sale duplex units also in Winter Park. Partnering with Windham is Calested Partners LLC who has developed five renewable energy projects in Texas and eastern US, and 700 residential for-lease affordable homes in Ireland. MAHD's area expertise is furthered by its joint venture partnership with Riverstone Platform Partners who brings over thirty years of real estate development experience including 13 successfully operating LIHTC developments, 5 LIHTC projects under development, and 5+ in pipeline consideration. An organizational chart is included as Attachment B.

f) Project costs

The Victoria Village Building D LIHTC project construction cost estimate has been prepared by Big Valley Construction. Big Valley has considerable Fraser experience and some LIHTC experience. Big Valley was recently acquired by the ownership of JHL who brings considerable LIHTC construction expertise and a wider reach to source competitive trades pricing. Additional detail on project costs is included in the cost waiver requests referenced below.

g) Site suitability

The site suitability is evidenced by the Town's identification of the site for affordable housing through its RFQ process, its approval of the master plan and Final Plat and Major Site Plan for Phase I, and its active participation in sourcing infrastructure grants for the site horizontal development elements including construction of Victoria Village Way roadway running southerly from County Road 8 through the development site to Park Avenue. The entire site is being planned and engineered with environmental sensitivity including set asides for open space, wetlands and the roadway bridge across St. Louis Creek. The site is adjacent to town services (mail, grocery, dining and entertainment) and is a direct extension of the downtown Fraser community adding residential to a growing and redeveloping downtown scene.

4. Describe any requests to waive underwriting criteria (if requesting). Please see the preliminary checklist for additional narrative requirements for justification of the waiver.

The Victoria Village project is requesting a cost basis waiver and a AHTC APR waiver discussed in Section 7 below and further outlined in Attachment C.

5. Address any issues raised by the market analyst in the market study.

There were no recommended changes from the market analyst.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated.

Per the Phase I there are no Recognized Environmental Conditions.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.)

Developing in Grand County, and specifically in Fraser, requires higher-than-average construction costs than Colorado's urban corridor directly tied to the transportation costs of labor and materials. The Building D site has structural fill costs common given mountain topography. Additionally, the Victoria Village site, identified by the Town as its preferred site for this affordable housing development, is an undeveloped site with a Protected Natural Area (PNA). Further discussion of these costs is outlined in Attachment C.

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support).

There was substantial community outreach and follow-up meetings during the master planning process for the Victoria Village site after the Town's receipt in 2022 of the DOH Operation Turnkey Grant for acquisition and the RFQ process that selected MAHD as the Town's development partner. MAHD, along with the Town, conducted four community open house sessions which presented options and suggestions for site and building layouts, amenities and overall design of the community. Throughout this community outreach process the site layout, ingress and egress, environmental and flood control sensitivities, as well as proposed buildings and amenities were discussed and changes made for appropriate concerns.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.

The Housing Needs Assessment Update delivered in August 2022 for the Fraser River Valley key findings were:

- There is a lack of housing for local workers. Many developments are in the pipeline, but most are priced for out-of-area buyers and second homeowners.
- Market rate rentals and for-sale housing is too expensive for local workers.
- There is a shortage of long-term rentals for locals; short-term rentals for visitors have increased.
- The cost to construct a home is higher than it has ever been.

The proposed Victoria Village project will contribute to Fraser:

- More permanent residents,
- Increased local expenditures,
- Reduced vehicle miles, and
- Parking savings.

The units proposed by Building D will help secure housing for essential employees which will lead to stronger and more responsive emergency and other health services and will improve customer service and add to a more vibrant community.

4% housing tax credit application narrative

Project Name: Village on Eastbrook

Project Address: 3221 Eastbrook Dr. Fort Collins, CO 80525

Executive Summary: Housing Catalyst is pleased to present this application for the Village on Eastbrook, an innovative shovel-ready, 100% affordable, intergenerational living development with 73 new dwelling units and renewable energy in Fort Collins. In a deliberate effort to help address the physical and mental impacts of loneliness commonly found in seniors in our society, the Village on Eastbrook will focus on ways the built environment and programming can foster connectivity. With its vibrant design, diverse unit mix, amenities, and elevator, this project is designed to support the health and well-being of all ages through social interaction and community connections. As a development that is designed to allow residents to age in place, Housing Catalyst is partnering with Colorado State University's Institute for the Built Environment to achieve a Lifelong Homes Pilot Certification.

The fully entitled project, located in the Employment (E) zoning District which requires a minimum average density of 7 units/acre with no maximum, is designed efficiently for the site at 25 units/acre. While it is not in a QCT, DDA, or SADDA, the site is in a prime location to the west of Fort Collins High School, within 1.5 miles of a major employment corridor, and near the intersection of Timberline Rd. and Horsetooth Rd., both main arterials. The site is within a half mile of a bus stop and directly adjacent to the multi-use Power Trail which connects to the City's Platinum Level bike network. Eastbrook will serve households ranging from 30-80% of area median income with an average of 57.5%. There will be 44 one-bedroom units and 29 two-bedroom units, targeting both seniors and families.

Housing Catalyst is uniquely positioned to offer this type of community due to its extensive local partnerships and holistic property management, maintenance and service program. Resident services are available to all Housing Catalyst residents throughout our 1,000+ units, including providing referrals to community partners, assisting with education for financial stability, job searches, counseling, and housing stability, and allowing residents to report rental payment history to credit bureau agencies to help them build credit and increase the chances of continued upward housing mobility.

The locally rooted architecture is both modern and elegant with specific intention for creating intergenerational living. Amenities include a large community room with kitchen, fitness room, bicycle storage, pet waste areas, exterior children's play area, a BBQ/picnic area, and the site will be fully accessible. Units will have ceiling fans, window coverings, walk-in closets, washer/dryers, bathroom fans, free community-wide Wi-Fi internet and cable connections, and Energy Star appliances. The building will have: a conventional cast in place reinforced concrete spread footing; a stem wall foundation system; a main level concrete slab on grade floor system; a pre-engineered wood floor truss system on the 2nd and 3rd floors; a pre-engineered truss system with a low-slope TPO membrane roof; light wood framing construction for the interior and exterior walls; and brick veneer, 3-coat stucco system, and fiber cement lap and panel siding exterior materials. Main entries are at the east end of the south wing and the southwest corner. Secondary entries are at the north end of the west wing and the inside corner of the building accessing the central plaza area. Units are accessed via an interior corridor connecting the three stairways at both ends and at the corner of the “L” shaped building. It is elevator-served, which is particularly well-suited for the target demographic of seniors and families.

Eastbrook will not only meet all Enterprise Green Communities criteria for certification, but will also be highly efficient as an all-electric building with high efficiency appliances and HVAC systems and 8 EV ready parking spaces. Carports and the entire building roof area will be used for a large photovoltaic solar array to offset electricity costs and mitigate the risk of higher tenant utility bills in all electric buildings. The City of Fort Collins Utilities’ existing net metering program will be used to allocate the energy offset to each resident. Housing Catalyst is targeting a minimum utility savings of 65% for each tenant, with the ultimate goal of nearly 72% savings. This on-site renewable energy is projected to produce 467,200 kWh in its first year, offsetting 76% of total building electrical consumption.

Housing Catalyst was successfully awarded a highly competitive Proposition 123 land banking grant in January 2024 for the Village on Eastbrook, which funded the majority of the land acquisition. In addition, the project was awarded 2024 CDBG and HOME funds from the City of Fort Collins through their annual competitive process. The project will also utilize Federal and State low-income housing tax credit equity, private activity bond debt proceeds, sponsor notes, and 10 project-based vouchers. Housing Catalyst also plans to pursue 45L tax credits for Energy Star and Davis Bacon Wage Rate Compliance as well as the Section 48 tax credits for the solar photovoltaic system that is integral to the project. All gap funding is now committed.

1. Bond Financing Structure:
   The total amount of the bonds is anticipated to be $18,500,000. As the issuer of the bonds, Housing Catalyst is uniquely positioned to conduct a public offering with a general revenue pledge, which provides favorable interest rates for the debt financing. Of the total bond amount, $7,900,000 will be long term construction to permanent loan tax exempt bonds, $9,600,000 will be short term construction period tax exempt bonds, and the remaining $1,000,000 will be short term taxable bonds. Housing Catalyst will be the bond issuer and they will be limited to ~55% of the aggregate basis.

2. Priorities in Section 2 of the QAP: Not applicable for this project.

3. Criteria for Approval in Section 2 of the QAP:
   - Market Conditions: Overall, there is substantial pent-up demand for housing in the primary market area (PMA). According to Prior and Associates as of June 2024, the overall surveyed

vacancy rate in the PMA was 1.3%; 0.4% at Class B/market rate property, 0.8% at Class C LIHTC projects, and 0.0% at senior LIHTC projects. All affordable projects had waitlists.

- Proximity to Existing Tax Credit Developments: The closest tax credit project is Fox Meadows Apartments, which is about 0.7 miles away, followed by Cadence, which is about 1 mile away.
- Project Readiness: Village on Eastbrook is a unique opportunity to add new, expedited affordable housing. A local market-rate developer approached Housing Catalyst last year with an offer to sell a 2.9-acre parcel of vacant land with the complete architectural plans, and approvals for a fully entitled, 73-unit apartment complex. Housing Catalyst acquired the land with Proposition 123 land banking funds in June 2024, and continues to work with the original land planner, architect, and engineering team, all of which Housing Catalyst has worked with on other projects, for a seamless transition that has kept the development moving forward without delay. The Final Development Plan and Development Agreement have been approved and building permits will be received in February 2025. The minor design modifications to make the project work as an affordable housing development have been reviewed and approved by the city. This shovel-ready project requires minimal site work because the drive lane already exists and utilities have already been run to the site, reducing the construction costs and schedule.
- Overall Financial Feasibility and Viability: The project is financially feasible as currently structured. In addition to $2.5 million of owner equity, Housing Catalyst is contributing over $1 million of deferred developer fee, and a $2.2 million carryback note for the land. Housing Catalyst will also pledge its own general revenue for a public bond offering to leverage the below market interest rates – a tool only available to PHAs with a Standard & Poor's credit rating. Housing Catalyst is also assuming conservative interest rates and tax credit pricing to ensure viability. Our consultant, RCH Jones, along with investors and lenders, have run the project through their underwriting.
- Experience and Track Record of the Development and Management Team: Housing Catalyst is the largest affordable housing developer and property management company in Fort Collins. Established in 1971, Housing Catalyst owns and operates over 1,000 affordable homes and provides housing and services to more than 2,100 families (over 4,000 individuals) in Northern Colorado. Housing Catalyst's affordable housing real estate development experience spans more than 15 years and includes both new construction and rehabilitation. Our development portfolio includes 1,047 affordable units in 11 developments financed with both 4% and 9% federal and state Low Income Housing Tax Credits, private activity bonds, CDBG, HOME, Division of Housing, and other local, state and federal funding sources. With this combination of public and private financing, Housing Catalyst secures long-term financing for each development. Housing Catalyst has also been instrumental in creating an additional 600+ affordable housing units through various partnerships with nonprofit and private developers. Housing Catalyst uses a Triple Bottom Line model to build healthy and sustainable affordable communities. We are led by a skilled executive team with extensive experience in real estate acquisition, development, management, and financial administration. We create vibrant, sustainable communities, incorporating green building design into all of our ventures and serving as a model for high

standards in asset and property management, as evidenced by numerous awards for project designs, innovations, environmental sustainability, accountability, and financial reporting.

- Project Costs: Pricing is currently based on 80% CD level drawings. Alliance Construction Solutions is the General Contractor and has provided the cost estimate for the overall project with a breakout for CHFA's review. The current project hard costs estimate is $19,495,750.
- Site Suitability: The 3221 Eastbrook Dr. Site is relatively flat with a natural drainage area located north and west of the site. Commercial offices are located to the northeast and south, with residences located farther to the north. The site is located with favorable proximity to amenities including public parks, community gardens, churches, schools, transportation, groceries, child care, and medical facilities. The site is zoned correctly for the proposed scope and use, as evidenced by the full entitlements already in place.

4. Requests to Waive Underwriting Criteria: See the included Cost Basis Override and AHTC Boost Request letter.

5. Issues Raised by the Market Analyst:
Although the site is adjacent to an active railway, a surveyed market-rate project in similar proximity to a railroad was 98% occupied, suggesting related impacts will be limited. Housing Catalyst will also be implementing noise attenuation systems during construction to mitigate excessive noise from the railroad. Although no 70% or 80% AMI units were surveyed, the subject's 70% and 80% AMI rents provide discounts to average Class B effective market-rate rents of 12% to 23%, which is adequate given the significant overlap between these AMI thresholds and the reported annual incomes of tenants at market-rate projects. Based on these factors and the high level of pent-up demand for both market-rate and LIHTC apartments in the PMA, the proposed rents are attainable. There are no recommended changes for the project.

6. Issues Raised in the Environmental Report & How These Issues Will be or Have Been Mitigated:
No issues were raised in the Environmental Reports.

7. Unusual Features that are Driving Costs Upward & Opportunities to Realize Cost Containment:
While significant increases in pricing on materials and labor have stabilized following the COVID-19 pandemic, electrical gear still has long lead times, which is being mitigated by completing one-line diagrams and submittals very early in the process to ensure early procurement. Because the drive lane is already in place, there is minimal site work. The General Contractor anticipates a 12-month construction period, though the underwriting team is holding 14 months to mitigate risk. Housing Catalyst has brought the GC on board very early in the process to ensure that the plans are buildable within budget. Other project costs are in line with comparable developments and informed by current market conditions. This includes accounting for rising interest rates for construction period interest. We intend for this extensive up front due diligence, design work, pricing and conservative underwriting to result in development costs that align with from preliminary underwriting.

8. Outreach to the Community--Any Known Local Opposition and/or Support for the Project:
   A virtual neighborhood meeting was held on 8/22/2022 as part of the development review process. The main concerns discussed by attendees were related to parking impacts, primarily by the neighboring medical office, and increased traffic through connecting streets to Timberline. The Fort Collins Planning and Zoning Commission approved the project with a 6:0 vote on December 14, 2022. Since acquiring the property, Housing Catalyst has met with the neighboring business owners to introduce the new plans for the project and open lines of communication. Based on the amount of parking being provided and experience across our portfolio, it is not anticipated that any parking issues will arise given the demographics at Eastbrook. As noted above, the project has already generated significant financial support due to the foreseen positive impact to the community.

9. How the Proposed Development Contributes to Promoting Equity as well as Economic Mobility for Residents:

   Housing Catalyst is committed to advancing equity in all areas of our work, acknowledging the historical disparities that have shaped our current housing landscape. We consistently reexamine our policies and practices, looking for opportunities to remove barriers and expand access to resources. We welcome engagement from diverse voices and perspectives to ensure we are responsive to community needs.

   Housing Catalyst prioritizes developing homes for individuals and families with very low incomes who are more likely to be housing cost burdened. The 2021 Fort Collins Equity Indicators Report found disparities in housing cost burden for every characteristic examined including race and ethnicity, homeowner income, and renter income. Project sites are carefully evaluated for access to transportation, schools, employment opportunities, and services to ensure the development will provide homes where residents can thrive. Housing Catalyst approaches housing development with a focus on intentional design, environmental stewardship, and with inclusive processes that build a sense of place.

   Beyond upholding Fair Housing and Equal Opportunity standards, we strive to extend respect, dignity, and compassion to all residents and applicants. Housing Catalyst prioritizes digital equity and works to expand access to broadband and WiFi at our properties. We promote social and economic wellbeing for residents by providing support and resources focused on four areas:

   - Stability: Working with residents to ensure they can remain in their homes.
   - Health and Wellness: Providing activities to support residents' mental, physical and social wellbeing.
   - Education: Supporting resident parents and their children in achieving success at school.
   - Community Engagement: Organizing activities to cultivate community bonds and nurture a sense of belonging.

4% housing tax credit application narrative

Project Name: Walker Commons
Project Address: 5115 Morrison Road, Denver, CO 80219

Executive Summary
Völker is pleased to submit a State Low Income Housing Tax Credit application to the Colorado Housing and Finance Authority for the Walker Commons community, a new affordable multi-family development with preference for veterans in west Denver. The development will bring 81 units of much needed affordable housing to the Westwood neighborhood.

Völker, in partnership with Cordon Housing, is committed to tackling the pressing need for affordable housing with supportive services in the Westwood neighborhood of Denver. Walker Commons will create a supportive community that will offer safe and affordable living spaces and a comprehensive array of services tailored to address the unique needs of veterans in a gender-neutral setting. The project will include 1, 2-, and 3-bedroom homes for individuals and families earning between 30-80% of the Area Median Income. Veterans will be prioritized by means of (1) a leasing preference (particularly those benefiting from services offered on-site), (2) welcoming those with tenant-based VASH vouchers, and (3) the solicitation of referrals from veterans organizations such as the VFW, DAV, VOA, US Department of Veterans Affairs (VA), and Denver Veteran Services Office (VSO).

This initiative addresses the challenges unique to veterans, particularly the heightened risk of homelessness and the critical need for trauma-informed care resulting from military service. Importantly one in three female veterans experiences Military Sexual Trauma (MST) with higher rates among LGBTQ+ veterans. This has contributed to a staggering 136% rise in female veteran homelessness in recent years, and a reluctance to seek housing in traditional male-dominated veteran communities. Creating a safe, gender-neutral veterans community will address the rising need. With integrated, general veterans services, and specialized peer-support services tailored to address the needs of MST survivors, our community empowers veterans of all genders to heal, rebuild their lives, and thrive. More than housing, Walker Commons represents a holistic approach to veteran well-being and a catalyst for positive change. The name "Walker Commons" was selected to honor military veteran Mary Edwards Walker, the only female Medal of Honor recipient and surgeon in the Civil War.

Community, Project Impact, Urgency
The Westwood neighborhood has many assets including rich and unique cultural diversity. The City of Denver has continued to invest significantly in the community through streetscape and infrastructure improvements, a new library, and a new recreation center breaking ground in 2024.

Walker Commons offers several unique features that enhance its positive impact in the neighborhood:
- Family-oriented three-bedroom units make up approximately 20% of the housing;
- 43% of the units are set aside for renters at or below 50% AMI;
- On-site resident services, including peer support, VA benefits coordination, and tailored mental health services;
- Services for veterans of all genders – including an opportunity for female veterans not found in traditionally full, male-centric veterans housing communities;
- Deployment of State Credits locally with a package that includes a significant investment of deferred fee, tax exempt debt, equity, and private activity bonds issued by CHFA.

The urgency of this project is multi-faceted. First, the Westwood neighborhood has been identified by Blueprint Denver as one at risk of gentrification. As one of Denver's most diverse, youthful, and walkable neighborhoods, Westwood increasingly draws urban homebuyers enticed by the relatively affordable real estate and sense of community. With an average home price of $420,000 – which sits well below Denver's median home price of $600,000 – the neighborhood also appeals to investors. Longtime residents are worried about being priced out of a City that is rapidly becoming increasingly expensive. The need for new affordable housing opportunities within the community is immediate and critical to allow established families to remain in the area.

Second, the urgency of the proposed project is underscored by the alarming statistics surrounding housing insecurity among veterans:

- **Current Veteran Homelessness:** In the Denver metro area, as of June 2024, there are 405 verified veterans experiencing homeless, per VOA who operates a rapid rehousing program for veteran families.
- **Veterans Currently in Transitional Housing:** Additionally, there are approximately 250 veterans currently in transitional or temporary housing in Denver who will need permanent housing in the coming years.
- **IPV/MST Impact on Housing Stability**: Veterans who have experienced intimate partner violence (IPV) are 40% more likely to face homelessness compared to their peers. Military sexual trauma (MST) is associated with a fourfold (400%) increase in the odds of homelessness. This statistic illustrates a critical and growing need for specialized housing solutions for veterans affected by MST and IPV.
- **Rising Homelessness Among Female Veterans**: The most recent study published by the VA establishes that the number of homeless female veterans increased by 135% over a ten-year period.

Finally, the site is under contract with a private seller and without an award of State LIHTCs, it will likely be lost to market-rate or commercial development. The site is not owned by a patient, mission-aligned owner. Walker Commons presents an opportunity to create very low-income units with supportive services in a neighborhood facing increased gentrification pressures.

Location and Allowable Density - The Walker Commons site is located on the west side of Denver within a QCT in the Westwood neighborhood. The proposed project is allowable with current zoning and will maximize the density that can fit within the site while still providing surface parking (at 1:1). City of Denver affordable housing incentives will facilitate an increase in the allowable height (to four stories).

Population Being Served - Walker Commons will provide homes for veterans as well as renters (individuals and families) who are, or soon will be, displaced from their current homes. The property will include 1-, 2-, and 3-bedroom homes, with 20% of the units serving larger families.

AMI Targeting - The Project will be restricted to very low- and low-income individuals and families earning between 30-80% AMI. 35 of the 81 units (43%) will be restricted to households at or below 50% AMI.

Unit and Project Amenities - The one- and two-bedroom units will have 605 and 816 square feet respectively, with three-bedroom units offering 1150 square feet. Amenities will include fully equipped kitchens, ample storage space, on-site laundry, bike parking and maintenance, on-site resident services and management, EV charging, community gathering spaces both indoors and outdoors. The large property allows for both passive and active spaces, along with enough room to provide 1:1 surface parking.

Type of Construction - Walker Commons will be one four-story, elevator-serviced building. Construction pricing includes spread footing foundations, wood framing, flat roof with TPO, and wood stairs. Exterior finishes will include stucco, metal, cementitious lap siding, accent tiles.

Access to Public Transportation - The Walker Commons site is located within a 1/8mile walk from public transit along both Sheridan Blvd. and W. Mississippi Ave. Bus routes servicing these stops include #4, #11, and #51, providing connections to Belmar, Alameda Station, and Englewood Station. This transit network provides excellent access to jobs, amenities, services and shopping throughout the area. The community will offer transit passes with a 50% subsidy to all tenants. This cost is included in the development budget as a reserve for 15 years.

Services – Walker Commons will create a gender-neutral environment for veterans, ensuring female and LGBTQ+ veterans feel safe and supported at home. Our community prioritizes residents who can benefit from our comprehensive services, which include tailored mental health services, VA benefits coordination, and peer support and services navigation from the Empowerment Program. Services include the following:

- The Empowerment Program will fill a Resident Services Navigator position on-site. $50,000 is included in the operating budget for an annual part-time salary. Since 1986, the organization has worked alongside their participants, primarily cis and transgender women, to connect them with the services they need to achieve their goals and remove barriers to health, housing, education, and employment. Services may include: Peer Specialist Support Services, Various Trauma Therapies;

Individual & Group Classes, Substance Use Treatment & Referrals, and more. The Empowerment Program also has the ability to charge Medicaid for their services.

- The VFW will staff an on-site for veteran benefit coordination position to assist with VA healthcare enrollment and benefit applications. These are crucial steps towards self-sufficiency for veterans facing complex and often daunting processes. This service will be offered at no cost to the project or resident.
- Give-an-Hour will provide as-needed mental health resources for veteran residents. This service is funded via provider donations and offered at no cost to the project or resident.
- Hire Heros will provide employment services and resume building at no cost to the veterans at the community.
- The DAV will help veterans with Transition Services, which includes assistance with transportation to VA medical appointments, ensuring veterans receive comprehensive care.

Additionally, to ensure a service-rich community, we are including a services reserve in the amount of $200,000 in the development budget for unexpected costs to support the residents.

Energy Efficiencies - The Walker Commons community will certify to National Green Building Standard (NGBS) Bronze category, comply with the Denver Green Code and 2022 Denver Energy Code, and provide EV charging stations for 12 parking spaces, and 5 EV-ready parking spaces. A solar PV array and solar tax credit equity are included in the development plans.

Financing - Our team has worked very hard to reduce the development costs of this project to ensure that we are most-efficiently using the available LIHTC resources. Walker Commons will be financed using 4% Low Income Housing Tax Credits (LIHTC), State of Colorado tax credits, City and County of Denver funding, significant deferred developer fee, and property-tax exemption from Denver Housing Authority. An LOI for equity (Federal Credits at $0.86 cents and State credits at $0.75 cents), and term sheet for debt can be found in our application.

Sources	
Permanent Mortgage	$10,979,000
Federal 4% Tax Credit Equity	$15,015,720
State Tax Credit Equity	$ 8,100,000
Solar Tax Credit Equity	$ 51,600
City and County of Denver	$ 2,835,000
Deferred Developer Fee	$ 2,347,017
Other Owner Equity	$ 100
TOTAL	**$39,328,437**

Uses	
Land & Buildings	$ 3,540,417
Site Work	$ 2,600,334
Rehab. & New Construction	$23,253,547
Professional Fees	$ 1,461,030
Construction Interim Costs	$ 2,709,503
Permanent Financing	$ 340,105
Soft Costs	$ 510,791
Syndication Costs	$ 70,000
Developer Fees	$ 3,729,000
Project Reserves	$ 1,113,710
TOTAL	**$39,328,437**

1. **Private Activity Bond Structure**
   - Total amount of private activity bonds:
     - Construction Period: $20,000,000
     - Permanent Period: $10,979,000
   - We are seeking $20MM in bonds from CHFA, to be issued by CHFA.
   - Our proposed bond structure is a perm loan (swap structure) to be closed at LIHTC/construction closing in the amount of $10,979,000, and a tax-exempt construction loan in the amount of $9,021,000.
   - 100% of the bonds will be tax-exempt.

2. **Priorities in Section 2 of the QAP:** Not applicable.

3. **Describe how the project meets the criteria for approval in Section 2 of the QAP:**

<u>Market conditions</u> - The Market Study identifies the following project strengths:

- Convenient access to transportation, amenities, and services

- Location is along a major collector street and visible from an arterial, providing very good visibility and access to shopping and services
- Ability to match or exceed the precedent of LIHTC comparables
- A walk score of 79 is higher than both the comparable and Denver averages

The Market Study identified no weaknesses regarding the property, and has no recommended changes. Additionally, the report discussed that rents are achievable because the 70% and 80% AMI unit rents are underwritten below market-rate averages, and max LIHTC rents. These rents are below the local voucher payment standards and the proposed property will therefore be able to attract households with HCVs, which will significantly broaden its target market. The property should lease up at an average rate of 15 units per month. After lease-up the property will have a stabilized occupancy rate of 96%.

The Veteran Service Organizations (VSOs) in both Denver and Arapahoe Counties, along with the local Supportive Services for Veteran Families (SSVF) provider, have confirmed that there are significant waiting lists for reduced-rent veteran housing.

Proximity to existing tax credit developments **–** The PMA includes 25 existing LIHTC projects containing 2,148 income-restricted units. The PMA's overall and LIHTC surveyed occupancy rates are both 96% and two LIHTC properties maintain waitlists. Walker Commons can match the precedent of nearby LIHTC properties because of its superior location, superior amenities, and comparable unit features.

Project Readiness - The project is ready to proceed. The Purchase and Sale Agreement is in place. The site is zoned and our plan meets City parking and design requirements. We have been accepted into the City of Denver's AHRT program and have incorporated conceptual level comments into our current design. The City expects to issue building permits in 2025.

Overall financial feasibility and viability - As proposed, the project is feasible only if awarded State of Colorado tax credits combined with 4% tax credits. Our current proforma is projecting a 63% deferred developer fee, for a repayment in year 10.

Experience and track record of the development and management team **-** The development project team has successful experience implementing similar projects in similar areas with similar design components and has experience closing State of Colorado tax credit deals, along with the capacity and financial stability to implement the project. Please refer to the Applicant Track Record Certification, which describes an excellent track record of development in and out of Colorado. Völker's Mountain West team is led by Lauren Schevets who has been developing affordable housing in Colorado for more than a decade. Völker is proud to partner with an **emerging developer** and veterans housing advocate, Cordon Housing, on this new community.

Our property management team at Ross-Envolve has a superior track record of leasing units on-time and working within CHFA processes. Our design and construction team is comprised of local affordable housing experts who have worked closely together on many projects over the past decade.

Project costs **-** The project costs submitted with this application are realistic, vetted, and reflect the current state of the market. The construction budget reflects a closing in 2025. Financial feasibility of this project is aided significantly by smart design and constructability. Significant efforts have been made by the team to ensure that conceptual comments by stakeholders have been incorporated into the proposed project being presented to CHFA.

Site suitability **–** The property at 5115 Morrison Road is relatively flat with direct access to utilities, not located within a floodplain, contains no anticipated environmental contamination, and has favorable zoning - making it a suitable site for this proposed development.

As discussed above, the site is in close proximity to public transportation, providing convenient access to employment, shopping, amenities, and services. Redevelopment efforts have created an improved network of supportive services in the neighborhood that include a Volunteers of America Early Childhood Education facility opened in 2016 with a Head Start preschool, health center and social-aid hub, and the Denver Heath Westwood Family Clinic near the intersection of Sheridan and Alameda. The Mi Casa Resource Center advances the economic success of families and is committed to closing the prosperity gap for women, minorities, immigrants, and families with limited resources, assisting them in education, employment, and business ownership.

The City continues to invest in infrastructure within the Westwood neighborhood, including streetscape improvements, a new Recreation Center at Morrison Road and W. Walsh Place, and new library at 300 W. Nevada Place. Additionally, the City is currently planning the implementation of the Westwood Via Verde is a three-mile neighborhood greenway project that will connect existing and future community amenities and green spaces, such as neighborhood bikeways, green streets, parks, and enhanced alleys

4. Describe any requests to waive underwriting criteria (if requesting). We are not seeking waivers of the underwriting criteria.

5. Address any issues raised by the market analyst in the market study. The penetration rate for the 60% AMI units is above CHFA's preferred 25% threshold; however, according to the market analyst the higher rate is attainable because of the following (among other factors):

- The surveyed LIHTC properties were 96% occupied, had increased or stable occupancy at or near 100% during the past year
- The Walker Commons proposed unit and project amenities, condition, design, location and parking arrangement generally meet or exceed the market standard for LIHTC projects and will enable it to compete effectively for tenants.
- The overall penetration rate is below the CHFA preferred threshold of 25%. The 30%, 40%, 50%, 70% and 80% AMI penetration rates will increase by 3.6% or less and will be 13.2% or lower, remaining well beneath the preferred threshold.

6. Address any issues raised in the environmental report(s) submitted with your application and describe how these issues will be or have been mitigated. – While the Phase I ESA identified concerns attributable to current and historic uses of the site and neighboring laundry uses, a Phase II ESA subsequently complete confirmed no water or soil contamination of concern. An asbestos report was provided by the Sellers, indicating some asbestos containing materials in the buildings. Asbestos abatement costs are included in our development budget.

7. Identify if there are any unusual features that are driving costs upward, as well as if there are any opportunities to realize cost containment. (Refer to Section 2 of the QAP for additional information.) -

- Asbestos abatement and demolition costs for three existing buildings
- Relocation for three existing businesses. Our budget has been informed by a relocation consultant.
- Transit passes (50% subsidy) as required by the City of Denver TDM program
- Supportive services reserve for incidental costs

8. Describe the outreach to the community that you have done and describe local opposition and/or support for the project (including financial support). – At Völker, community building is at the heart of everything we do. Thriving neighborhoods are built on strong relationships and tailored solutions. We work closely with residents, local authorities, and stakeholders to develop housing options that meet the unique needs of each community. The concept for Walker Commons was developed with special care and attention to input from our development partner Cordon Housing, and stakeholders including the property management team, service providers, financing partners, the local councilwoman for the Westwood neighborhood, as well as the US Department of Veteran Affairs (VA). This process included a design charrette with stakeholders, trauma informed design interviews, and a tour of a similar Empowerment Program property. We have included letters of support from project partners as part of this application.

9. Describe how the proposed development contributes to promoting equity as well as economic mobility for residents.
Adding affordable housing options in the Denver metro area translates to increased health, financial equity, and quality of life for individuals and families. This allows individuals and families earning a diversity of incomes to enjoy the same level of housing, community amenities and benefits.

Additionally, military service requires significant personal sacrifices that impact veterans' mental health, economic stability, and family life. To address these challenges, Walker Commons takes a comprehensive approach to integrating supportive services that promote veterans' general well-being and foster upward mobility. Walker Commons' three-pronged approach, focusing on mental health, benefits access, and career development, empowers veterans to overcome challenges and build fulfilling lives. The diverse unit mix and a variety of income restrictions will accommodate veterans at various stages of their journey, serving a wider population of homeless and rent-burdened veterans who might otherwise be excluded from low-income housing options. In sum, Walker Commons will provide a community in which at-risk veterans can grow as their lives and financial resources improve.

Additional Supporting Narrative Items:
Support letters

4% housing credit application narrative

Project Name: W 64th Arvada Apartments
Project Address: 3680 W 64th Avenue, Arvada, CO 60003
Executive Summary
West 64th Apartments is a 192-unit affordable housing project located at 3680 W 64th Avenue in Arvada, CO. Located in Unincorporated Adams County, the site was previously home to a single-family residence on over 5 acres of land. The site is located in Qualified Census Tract 96.07 and will be serving families at 30%, 40%, 50%, 60% and 70% of AMI in Adams County. The unit mix will include 96 one-bedroom units, 88 two-bedroom units and 8 three-bedroom units. All units will have washers and driers, stainless steel appliance packages, LVP flooring and balconies. Site amenities will include a community clubhouse with a business center and meeting space, fitness center, and a community kitchen with living room along with barbecue and picnic area, a playground, and recreational areas.

The project will be financed through a tax-exempt construction loan and a taxable construction loan provided by US Bank, a permanent loan provided by Cedar Rapids Bank and Trust, tax credit equity generated through the federal tax credits and state tax credits through US Bank, and a sponsor note provided by DevCo. The total amount of the tax-exempt bonds will be $51,500,000 with $30,320,000 remaining outstanding during the conversion to permanent financing.

The Developer has engaged Group 14 to consult on the energy efficiency and sustainability standards for the project. The project will comply with the 2018 international Energy Conservation Code, Enterprise Green Communities certification as well as energy star certifications. The project will also be constructed to CHFA Water-wise landscaping and non-functional turf criteria. The Developer is also designing the project to incorporate rooftop solar and solar carports that are projected to offset the projected energy consumption by 89%. The Group 14 energy analysis has been provided as a part of the application and can be referenced for additional information.

The Developer has structured the Purchase of the land to occur on November 29th, 2024 after the announcement of an award of state credits from CHFA.

1. Bond Financing Structure:
    - The total amount of the bonds for the project will be $51,500,000. With $30,320,000 remaining outstanding during the permanent period.
    - The bond issuer and volume cap provider will be CHFA in the amount of $46,500,000. With $5 million in volume cap coming from Adams County.
    - We are assuming US Bank and the Construction Lender and Cedar Rapids Bank and Trust as the Permanent Lender.
    - The current amount of $51,500,000 will be tax exempt with $18,500,000 remaining taxable during the construction period.

2. QAP Priorities:
Not applicable for this project.

3. QAP Criteria for Approval:

- Market Conditions:

A market study was conducted on January 31st, 2024 by Novogradac and identified that there are 8,878 Qualifying Households in the market and only 443 existing and planned units in the PMA, which includes our proposed 192 units. The capture rates across the unit mix range from 3.7% to 27.7% with the average capture rate being 16.1%. This study also identified that there would be an average gap in the market between 5 and 40 percent when comparing our project to the comparable market rate comps in the area.

- Proximity to Existing Tax Credit Developments:

There is a general lack of LIHTC developments in the PMA. Our market study reviewed the CHFA allocation lists and found six recently allocated projects in the PMA. Of the six properties, only four will be competitive with W. 64th Apartments, while the other two target senior tenancy and will not be in direct competition.

- Project Readiness:

The Developer has been under contract on the proposed site since December of 2022. The project has received unanimous approval from the Adams County Board of County Commissioners rezoning the site to R-4 zoning which allows multifamily development. During the rezone process, the developer submitted their building plans for concurrent review from the planning department to move the project forward as efficiently as possible. As of July 16th, the project has received full building permit approval. A letter from Adams County Planning and Zoning supporting the building permits was provided as a part of our application. Upon an allocation of bonds and credits, the project will be ready to break ground with no risk associated with permitting or entitlements.

In addition to having building permits in hand, the project has taken steps to bring on equity/debt partners that have received financial committee approval on their terms which have been solidified through executed term sheets. The developer and its partners will be ready to move forward under executed term sheets upon an allocation of bonds and credits.
Finally, the developer has decided to forego any gap financing provided by the Colorado Department of Housing funds and HOME funds. The HOME funds were applied for and awarded to the project in July of 2024. The Developer is choosing to forego the use of these funds and committing additional sponsor note proceeds to ensure the project can move forward as quickly as possible without choice limiting actions.

- Overall Financial Feasibility and Viability:

Due to the size and high-cost nature of the market, the Developer believes that the state credits are necessary for the financial feasibility of the project. In addition to the sources provided, the Developer is providing gap financing in the form of a Soft Loan, deferring most of the developer fee and utilizing interest income from the project as sources during the construction period.

- Experience and Track Record of the Development and Management Team:

DevCo has been developing LIHTC affordable housing in Washington State for the past 30 years. During that time, DevCo has financed, constructed, and managed over 7,500 LIHTC units. In the past few years, DevCo has successfully expanded outside of Washington State and has financed 4% LIHTC acquisition/rehab and new construction projects in Montana, Idaho, Oregon, Texas, and Arizona. The architect on the project is Johson Braund operating as Jeffrey A. Williams Architects. The property manager will be Avenue 5 Residential who oversees 917 LIHTC units in Colorado and has extensive experience handling compliance and property management of these assets. The General Contractor will be Alliance Construction who has completed 14+ Affordable Housing projects in Colorado in the past five years. The Developer is also utilizing RCH Jones as a consultant for the financing. Ryan Jones has been in the affordable housing industry for 20 years, first participating as a developer, then as a lead underwriter for equity syndication firms, then for the past 10 years as a consultant to developers and investors. In his career, he has helped close 47 tax credit deals in Colorado.

- Project Costs:

The Developer has been working on this project since December of 2022. Early in the design of the project, the Developer started working with Alliance Construction to advise on construction efficiency and provide information regarding pricing in the market. Alliance has priced the project every step of the way, from schematic design to development design and finally to our full building permit sets included in our application. This CD level pricing was vetted by DevCo' s internal construction team and every effort to value engineer elements of the project has been taken.

In addition to the project hard costs, the Developer is confident in the soft cost estimates provided in our application. The design fees are based on actual billing by consultants to achieve the full building permit approval for the project. Any remaining work has been projected and accounted for, but most of the costs are verified by work completed or backed by vetted term sheets. The impact fees associated with the project have been calculated based on the fully permitted designs and verified by Adams County Planning and Zoning. Third Party reports and Construction Monitoring are based on actual costs incurred or invoices received.
Overall, the Developer has gone to great lengths to ensure all cost assumptions for the project have been vetted and verified.

4. Underwriting Criteria Waiver Requests:
The sponsor has requested a cost basis override for the project based on current conditions. This letter has been provided to CHFA.

5. Market Study Issues:
The main issues flagged in the market study conducted by Novogradac on 7/26/24 were in regard to capture rates and walkability. There is a notable amount of supply in the area, particularly at the 60% of AMI level. According to Maiker Housing Partners, 60% units are still in high demand in the area and they have encouraged us to keep building them. In their most recent completed property, there were 430 interested households at lease up. The 51 non-PBV units at 60% of AMI all had applications within 3 days of opening applications.

The second area of concern noted in our market study is that the site location lacks the walkability of comparable properties in the area. According to the market study our walk score is 40, which is still higher than the Arvada, CO average of 35. To address this, we have opted to provide RTD EcoPasses to all households on the property through RTD's Neighborhood Eco Pass Program for the entirety of the Tax Credit Compliance Period. We will also be working with our connected services partner, Rainbow Housing, to offer safe, reliable transportation directly to and from the property. While we cannot necessarily improve walkability of our area, we can provide the resources for our tenants to get where they need to go quickly and efficiently with no cost to them.

6. Environmental Study Issues and Mitigation:
   No Environmental Issues were flagged by the Phase I report.

7. High Cost Discussion and Mitigations:
   There are a couple of factors contributing to the high cost of the project. The first main contributor is the offsite water and sewer line extension required by Crestview Water, the governing water provider for the site. The site of W 64th apartments is on the corner of W 64th St and Lowell Blvd, there are aging water and sewer lines that run through both streets. Due to the growth in the area, the water and sewer lines need upsizing. Crestview Water has mandated that any developer seeking is required to take on the upsizing of the water/sewer lines that lead up to their site. The Developer has worked closely with Crestview Water to design the upsizing of both the water and sewer lines that were required for the project to be able to receive building permit approval. The project cost has been included in our budget. The upsizing of these lines will allow future development along the corridor as well as improve the livability of residents in the area who have been experiencing the undersized system for many years.

   In addition to the offsite work, the project has gone to great lengths to ensure that it is sustainable and efficient from a utility perspective. The all-electric appliance design in combination with the rooftop and carport solar arrays will ensure the site will be sustainable for the long term. The Developer has worked closely with Neighborhood Power and Group 14 to design a system that offsets 89% of the anticipated electrical load for both the common area and tenant usage. In addition to the energy efficient design, the project has also placed an emphasis on water conservation by incorporating low flow fixtures in all units and incorporating water wise landscaping. All of these design decisions add costs to the project but significantly improve sustainability of the project for the entirety of the Tax Credit Compliance Period and beyond.

8. Community Outreach, Opposition Description, and Local Support:
   The Developer has been active in reaching out and engaging with the community during the planning of this project. A major resource and partner of the project is Maiker Housing Partners. The Developer has been in communication with Maiker about the project and how it can fill a need within the community. Maiker has provided Waitlist documentation for their projects in the area justifying demand for units at 60% or below with 51 applications for these types of units in the first 3 days of opening applications on their newest project. In addition to the feedback with the unit mix, Maiker Housing applied for Adam's County volume cap and will be allocating $5 million dollars to the project.

   In addition to the support received from Maiker, the Developer has been working closely with Adams County throughout the planning and entitlement for the project. Due to the required rezone, the Adams County Planning Department played a major supporting role in the design decisions and helped guide the Developer through the process associated with the rezone. The Planning Department voiced their support at the Board of County Commissioners hearing that resulted in the unanimous rezone approval for the project. The Developer has also been working closely with the Adams County Economic Development to build support for the project and ensure it is well received within the community. This relationship resulted in significant impact fee waivers and an allocation of HOME funds that help reduce costs associated with the project.

9. Promoting equity as well as economic mobility for residents
The Developer was very conscious of promoting economic mobility for residents through the planning and design of this project. The project will provide a connected services program for all residents through a partnership with the Rainbow Housing Corporation. The core components of the Rainbow Housing program emphasize Essential Life Skills, Education, Employment and Workforce Career Pathways. Classes will be offered 24/7 online and in person monthly to cover topics such as financial literacy, health and nutrition, computer skills, personal development, parenting, exercise and many more. DevCo and Rainbow Housing have worked closely together to formulate a program that focuses on promoting economic mobility, working with local partnerships and that can be adaptable and available for all residents within the community.

In addition to the connected services plan that will be available to all residents, the developer has been in communication with RTD to provide RTD Eco passes to all residents at the site through their Neighborhood EcoPass (NECO) program. The site is 1.1 miles from Westminter station on the B line, 1.4 miles from the Clear Creek-Federal Station on the G Line and .5 miles from the Federal and W 64th stop on the 31-bus line. Each of these options provides connected access to areas across the greater Denver Metro. The Eco passes allow residents within the community to take advantage of free transportation to access jobs, entertainment, education and other resources across the city without the need for a personal vehicle. The Developer is carrying the operational cost of the passes and annual renewals in their operating costs of the project and will be paying for these passes for all units on an annual basis.

Finally, the project has focused on incorporating lower set aside units in response to the Market Study conducted by Novogradac and feedback provided by Maiker Housing Partners. The Market Study identified 30% and 40% units as having the lowest capture rates with roughly 3,500 income-eligible households within the PMA. The Developer has incorporated 20 units at each of these set-asides for a total of 40 units to focus on the needs in the area.